Daily Report

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Berov Cabinet Survives No-Confidence Vote

AU1905181594 Sofia Khorizont Radio Network in Bulgarian 1729 GMT 19 May 94

[Text] [Announcer] At the end of our news and music program "Something More," we have the results of the ballot on the motion of no confidence in the Berov government. Here is our reporter Antoaneta Puncheva:

[Puncheva] A total of 96 National Assembly deputies voted in favor of the motion of no confidence in the government [121 votes are required for the motion to succeed]; 25 deputies voted against the motion, and one ballot was declared invalid. These are the results that National Assembly Chairman Aleksandur Yordanov will officially announce from the speaker's platform.

Assembly Votes Against Structural Changes

AU2005103794 Sofia Khorizont Radio Network in Bulgarian 1014 GMT 20 May 94

[Report by unidentified correspondent on National Assembly debate on cabinet changes proposed by Prime Minister Lyuben Berov at the National Assembly in Sofia—live]

[Text] Today's session of the National Assembly has just ended. After the National Assembly rejected the structural changes to the cabinet proposed by Prime Minister Lyuben Berov, the prime minister declared that he will have to ask for a vote of confidence in his cabinet. Under the Constitution, the Cabinet has to submit a proposal in writing for such a vote.

New Confidence Vote Set for 25 May

AU2005113194 Sofia Khorizont Radio Network in Bulgarian 1100 GMT 20 May 94

[Text] The National Assembly today voted to reject the proposed structural changes to the Council of Ministers. The deputies debated the proposed personnel changes to the cabinet but did not take a vote. Prime Minister Lyuben Berov asked for a vote of confidence in his government. The National Assembly deputies will take the vote next Wednesday [25 May].

Zhan Videnov, BSP [Bulgarian Socialist Party] leader, told a BTA correspondent that the BSP rejected President Zhelyu Zhelev's proposal to meet to discuss the government's problems because the party considers that the country has a cabinet. According to Videnov, the BSP would support the vote of confidence in the cabinet if Professor Berov keeps to his earlier proposals for changes in the executive.

Meanwhile, the parliamentary groups of the BSP and its coalition and the DPS [Movement for Rights and Freedoms] are holding meetings in parliament to discuss the situation that has developed.

Zhelev To Hold Talks With SDS Leader

AU2005103894 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 20 May 94

[Text] Today the chairman of the parliamentary group of the SDS [Union of Democratic Forces] accepted an invitation from President Zhelyu Zhelev to meet for talks to discuss the signing of a parliamentary agreement on passing certain high-priority laws, forming a caretaker cabinet, and setting a date for parliamentary elections. The president is expected to make a public statement on this matter later.

Strike Continues; 120 Organizations Affected

AU1905191394 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 19 May 94

[Roundup by Varshava Maksimova on progress of general strike called by Confederation of Independent Trade Unions in Bulgaria—recorded]

[Excerpt] According to information supplied by the National Strike Committee of the Confederation of Independent Trade Unions in Bulgaria [KNSB], today over 140,000 workers took part in protest actions, while 120 organizations are affected by effective, one-day, and indefinite strike actions, involving over 31,000 people. Protest marches and rallies were held in 10 towns. Members of the National Trade Union joined the KNSB in holding protests in Plovdiv and in front of the parliament building in Sofia. [passage omitted]

Baudys, Bratinka Discuss NATO-Related Issues

AU1905160494 Prague DENNI TELEGRAF in Czech 17 May 94 p 1

[Article by CTK and "(stk)": "Baudys Supports Russia and Defends Its Role in the 'Euro-Asian Balance'"]

[Text] Prague—Defense Minister Antonin Baudys declared yesterday that it is necessary to respect Russia's special interests with regard to the North Atlantic Alliance. Russia is still, apparently, a superpower and has always been an important element of the Euro-Asian balance. "It is in the interest of the whole of Europe to ensure that this continues to be the case," said Baudys.

Baudys made this statement at yesterday's seminar on "Security in Central Europe—The Public's Views." The three-day seminar, which is being held in Prague, is organized by the North Atlantic Assembly in cooperation with the Czech Chamber of Deputies. The defense minister also said that it is most important for European security to ensure that cooperation between the North Atlantic Alliance (NATO) and the former socialist bloc develops not only on a military basis, but, first and foremost, on an economic one. The foundation stone for peace apparently is economic prosperity. According to Baudys, the Visegrad Group should not be perceived as a political instrument for exerting pressure on NATO because Visegrad cannot be an alternative to or preparation for membership in the pact. "The issue of entry into NATO is so important that comprehensive economic, political, and social reforms within the state must be given precedence in dealing with it," said Baudys. In connection with the Partnership for Peace plan, the minister referred to the Czech presentation document, which contains offers of exercise areas, training, and so on. According to Baudys, the first step in this was the joint exercises with the Dutch marines.

According to Deputy Foreign Minister Pavel Bratinka, who also took part in the conference, a Russian policy offensive is, on the other hand, now under way. "The possible renewal of Russia's influence in Europe can only be confronted by a consistent policy from NATO and the Western European Union," added Bratinka.

PHARE Program Allots 60 Million ECU's

AU1905191194 Prague CESKY DENIK in Czech 18 May 94 p 2

[Article by Bohumil Srajer: "A Signature That Has Brought Us Closer to Europe"]

[Text] The PHARE [Economic Reconstruction Aid for Poland and Hungary] guiding program, which specifies priority areas for European Union [EU] assistance to the Czech Republic, was signed by Deputy Foreign Minister Pavel Bratinka and Leopoldo Giunti, the EU Commission's emissary to the Czech Republic, in Cernin Palace [in Prague] yesterday.

The program covers new trends in cooperation between the Czech Republic and the EU. The principal change is the PHARE shift from only technical assistance to support for specific projects, particularly in transportation and the environment. Great attention will also be paid to the preparation of Czech institutions for future integration into EU structures. According to Pavel Bratinka, the key sphere is private business, with an emphasis on restructuring industry and developing small and medium-size enterprises. Another sphere on which PHARE will concentrate is education. The project also intends to assist in reinforcing the social net. It is expected that a total of 60 million ECU's (approximately 2.04 billion korunas) will be spent on new obligations of the PHARE program.

Report Analyzes First-Quarter Trade Figures

AU1905193994 Prague HOSPODARSKE NOVINY in Czech 18 May 94 p 7

[Report prepared by the Czech Statistical Office Department of Prices Statistics and Foreign Trade: "Foreign Trade Turnover Has Increased in the First Quarter"]

[Text] During the first quarter of 1994, the Czech Republic's foreign trade generated a surplus balance of trade, and the changes in the territorial structure and the structure of imports and exports according to the individual categories of goods continued.

The territorial structure changed, in particular, as a consequence of trading with the Slovak Republic, where, during the first three months of 1994, the tendency toward a gradual decline in mutual trade began to manifest itself. The measures adopted by the Slovak Government, which consisted of introducing an import surcharge and tightening legislative and technical conditions for imports from the Czech Republic to the Slovak Republic, were reflected in a reduction in mutual turnover. In imports, the proportion of mineral fuels, lubricants, and related materials increased, while the proportion of machinery and means of transportation declined. In exports, the proportion of various finished products increased, while the proportion of machinery and means of transportation declined.

The overall foreign trade turnover in the first quarter of 1994, compared with the same period of last year, increased by 4.8 percent; of this, imports rose by 15.9 percent, but exports fell by 4.3 percent. The value of overall imports amounted to 83.3 billion korunas [Kc] and was Kc11.5 billion higher than in the first three months of 1993. The overall value of exports amounted to Kc85 billion, which was Kc3.8 billion less. The balance of trade ended with a surplus of Kc1.7 billion.

From the territorial point of view, states with an advanced market economy took a 60.8-percent share in overall foreign trade turnover (European Union [EU] states—42.8 percent and members of the European Free Trade Association [EFTA] 12.3 percent). The Slovak Republic took a 15.2-percent share, the countries of the former Soviet Union 10.3 percent, developing countries 7.3 percent, European states with a transitional economy

(excluding the countries of the former USSR) 5.6 percent, and states with a state trading system 0.8 percent.

In trade with the Slovak Republic, the value of imports in the first quarter amounted to Kc12.5 billion, which was Kc2.5 billion less than in the same period of last year, and the value of exports amounted to Kc13.2 billion—that is, Kc6.6 billion less. Imports declined to 83.4 percent of the level of the first quarter of 1993, and exports declined to 66.5 percent. The balance of trade had a surplus of Kc0.7 billion. Ties established within the former CSFR, when a substantial part of the exchange of goods was accounted for by complementary shipments, are still being reflected in the mutual exchange of goods. However, they are becoming gradually weaker. In the mutual exchange of raw and processed materials and goods, industrial goods were predominant, with a 37-percent share of overall imports and a 31-percent share of overall exports, while machinery and means of transportation had a 20-percent share of overall imports and a 26-percent share of overall exports.

Imports from states with an advanced market economy in the first quarter of 1994, compared with the previous year, rose by 23.3 percent, and exports to these states rose by 12.2 percent. The rise in imports, compared with the same period of last year, amounted to Kc9.2 billion, and the rise in exports amounted to Kc5.9 billion. The balance of trade had a surplus of Kc5.2 billion. The trade surplus with EU countries amounted to Kc4.4 billion and with the EFTA member states to Kc1.3 billion. The most important trading partner from these countries was the Federal Republic of Germany, with a 26.1-percent share of the Czech Republic's overall foreign trade turnover. It was followed by Austria (8.6 percent) and Italy (4.8 percent). In imports from states with an advanced market economy, machinery and means of transportation were predominant (42 percent of all of the goods and materials imported); in exports, industrial goods were predominant, with a 30-percent share of overall exports. Czech trade with OECD states flourished; imports from these countries during the first quarter amounted to Kc48.6 billion, and, compared with the same period of last year, had increased by 23 percent; exports amounted to Kc54.9 billion and had increased by 13.8 percent. The balance of trade had a deficit of Kc6.3 billion.

Imports from developing countries increased by 28.4 percent, and, compared with the first three months of 1993, exports to these regions increased by 28.8 percent; the balance of trade ended with a surplus of Kc3.4 billion. Machinery and means of transportation accounted for 37 percent of imports, and foodstuffs and live animals accounted for 32 percent. Industrial goods accounted for 59 percent of exports and machinery, and means of transportation accounted for 29 percent. The so-called Asian Tigers—Taiwan, Hong Kong, South Korea, Singapore, and Malaysia—have become interesting trading partners. These countries had only a 4.4-percent share of overall Czech foreign trade turnover, but the exchange of goods with them is increasing dynamically; imports rose by 44.3 percent and exports by 71.4 percent.

In trade with the European states with a transitional economy, excluding the former Soviet Union, imports rose by 32.7 percent and exports declined by 10.5 percent. The balance of trade achieved a surplus of Kc0.6 billion. The largest trading partner from this group was Poland, with a 2.9-percent share of overall foreign trade turnover; it was followed by Hungary, whose share amounted to 1.5 percent. Industrial goods, with a 32-percent share of overall exports, and machinery and means of transportation, with a 21-percent share, made up the bulk of goods exported from the Czech Republic to these countries.

The surplus generated in trade with states with a state trading system—the DPRK, Laos, China, Cuba, Vietnam, and Mongolia—amounted to Kc0.3 billion. The volume of imports from these states was 44.2 percent higher than in the first quarter of 1993; of course, exports declined to a mere fifth of the level during the same period of the previous year. This development was a result of the equally large decline in the value of exports to China. The dominant items in overall imports were various finished products (almost 50 percent); in exports, they were machinery and means of transportation (82 percent).

Imports from the former Soviet Union increased by 25.1 percent; however, exports declined to 80.3 percent of the level of the first three months of 1993. The balance of trade deficit amounted to Kc8.5 billion. The largest trading partner from this group of countries was Russia with a 13.8-percent share of overall imports; however, it had only a 3.2-percent share of overall exports. In the structure of imports according to the categories of goods, imports of mineral fuels, lubricants, and related materials were predominant because oil and natural gas come into this category. The share of this category of goods in overall imports was 78 percent. The largest goods category in exports was machinery and means of transportation, which had more than a 35-percent share of overall exports.

In the structure of imports according to the categories of goods, in the first quarter of 1994, compared with the same period of last year, the share of imports of mineral fuels, lubricants, and related materials rose by 1.5 points to 15.5 percent of overall imports. During the first three months of 1994, 1.7 million tonnes of oil (1.5 million tonnes in the same period of the previous year) and 3.1 billion cubic meters of natural gas (1.7 billion cubic meters) were imported. The share of imports of various finished products increased by 0.9 points to 11.1 percent, and the share of chemicals and related products increased by 1.6 points to 12.9 percent. The share of imports of machinery and means of transportation declined by 3.5 points to 30.3 percent, and the share of industrial goods declined by 1.6 points to 15.7 percent. During the first quarter of 1994, compared with the

same period of last year, imports in all categories of goods increased, apart from the beverages and tobacco categories.

The structure of exports according to the categories of goods in the first three months of 1994 was, compared with the same period of last year, characterized by an increase in the share of exports of various finished products by 3.0 points to 15.2 percent of overall exports. On the other hand, the share of exports of machinery and means of transportation declined by 2.4 points to 23.7 percent. The share of exports of the most significant items, 31.8 percent of which were accounted for by industrial goods, declined slightly. Compared with the first three months of 1993, exports in all categories declined, with the exception of the raw-materials category, excluding fuels and raw materials for the food industry and the various finished goods category.

Moravcik Seeks Closer Ties to Europe

BR1905135194 Paris LE FIGARO in French 19 May 94 p4

[Interview with Slovak Prime Minister Jozef Moravcik by Xavier Gautier in Paris; date not given: "We Will Abolish The Border"]

[Text] *Former Foreign Minister Jozef Moravcik was in Paris early this week. His message was clear: Even though Slovakia has broken off its relations with the Czech Republic, it not does not want to be ejected outside Europe.*

[Gautier] Your government, which opposed the nationalist policy of Meciar, managed to convince the Bratislava government to deal with the issue of the Hungarian minority. How did you do that?

[Moravcik] We had prepared an acceptable solution for the Slovaks, the Hungarians, and the other minorities. It was not a problem to convince the deputies.

[Gautier] Will you be the first prime minister to take down the "iron curtain" that has appeared between the Czech Republic and Slovakia?

[Moravcik] The two republics of the former Czechoslovakia are young countries. They are going through an unnecessary period of restricted freedom of movement. It is difficult to persuade Prague to avoid that kind of obstacle. There is a real problem of migration. But we will abolish the border as soon as it has become unnecessary.

[Gautier] Within the framework of a Slovakia integrated into Europe?

[Moravcik] Yes. This is the message that we have brought with us to Paris. Slovakia envisages an integration into the European Union. My message is clear: Bratislava must not be ejected outside Europe. This is very important for the stability of the region.

[Gautier] Why did you chose France for you first visit as a head of government?

[Moravcik] I chose your country because France has understood the importance of Central Europe within Europe.

[Gautier] What was your message to President Mitterrand?

[Moravcik] We want relations with France to be fruitful for both countries. I stressed that we are working to establish the basis of a stable economy and political system.

[Gautier] The elections are scheduled for the end of September. The deposed prime minister has already launched his campaign. Do you think you will survive the election next fall?

[Moravcik] A large number of the electors have not made up their minds. Vladimir Meciar's popularity, which had been falling, has started to rise again since he was evicted by the parliament. But this time, it seems that a large part of the electors support our European and democratic policy.

[Gautier] What do you think of the scheduled return of the communists and Gyula Horn to power in Hungary?

[Moravcik] I have just had very interesting talks with Gyula Horn. I can envision cooperating with him.

[Gautier] Better than the cooperation with his predecessor, Peter Bross?

[Moravcik] (laughing) The search for solutions to the problems between Bratislava and Budapest is in our mutual interest.

[Gautier] Does Slovakia, which sent Blue Helmets to Bosnia, intend to follow the example of France and withdraw its troops?

[Moravcik] No. We want to continue with our peacekeeping mission in that region. It is in our interest.

[Gautier] Do you have a solution to the Bosnian conflict?

[Moravcik] It is a simple solution. We intend to apply the principles of a multiethnic society in Slovakia. These principles must be reintroduced in former Yugoslavia, as they have been in South Africa and the Middle East.

More Slovak Coming to Hungarian Schools

AU1905150994 Bratislava NARODNA OBRODA in Slovak 17 May 94 p 2

[Article by "otk": "Will the Quality of Teaching Slovak Be Improved?"]

[Text] Bratislava—A new objection to the budget of the Ministry of Education has emerged in the ethnically mixed territories. Under the ministry's pedagogical and organizational instructions and teaching curriculums, an extra one to two hours of Slovak language and conversation [per week] are to be added in schools with a non-Slovak language of instruction. Moreover, preference is to be given to the division of classes during Slovak language lessons. Lubomir Harach, minister of education and science, informed us that the ministry has released from its budget a reserve of 100 million korunas to secure education [in the Slovak language] in the ethnically mixed territories.

Impact of Hungarian Elections on Ethnic Parties

AU1905123994 Bratislava SME in Slovak 17 May 94 p 4

[Commentary by Karol Wolf: "Slovak Hungarians Are Looking Across the Danube"]

[Text] It is no secret that shifts on the Hungarian political scene tend to be carried over to the countries inhabited by Hungarian minorities. This holds even more true for Slovakia, with its politically differentiated Hungarian minority.

The electoral defeat suffered by the ruling Hungarian Democratic Forum [MDF] will find its expression in Slovakia in the loss of influence of Miklos Duray, chairman of the Coexistence movement, who directly participated in the MDF's election campaign. Both the chief of the victorious Socialists, Gyula Horn, and the

leader of the Alliance of Free Democrats, Gabor Kuncze, do not conceal their distaste for Duray's positions. Horn even used the word "dummy" [hlupak] when referring to Duray during his last visit to Slovakia before the elections.

The second Hungarian political party in Slovakia, the Hungarian Christian Democratic Movement [MKDH], will probably retain its former standing after the change of power in Hungary and will continue to strive for the integration of all Hungarian ethnic parties.

The chances of the Hungarian Civic Party [MOS], which is not represented in the present parliament, have improved. It is a member of the Liberal International and a direct partner of the Alliance of Free Democrats [SZDSZ], which will probably participate in the new government in Budapest. Similar to the MKDH, the MOS pursues as its basic political goals the formation of a three-member [ethnic Hungarian] coalition and the weakening of the influence of Coexistence.

However, the Socialists' victory in Hungary offers yet another alternative concerning the political evolution of the Hungarian minority in Slovakia. It is no secret that the Party of the Democratic Left [SDL], which does not conceal its joy over the success of its colleagues on the other side of the Danube, has long been trying to gain broader support in the south of the country. Compared with other political parties, the SDL is purposefully building its structures there, and, today, when SDL Chairman Peter Weiss can boast of his friendship with Horn, its chances are growing bigger. The Hungarians in southern Slovakia wish calm and peace, which is exactly what the Weiss-Horn duo offers.

The political evolution of the Hungarian minority in Slovakia thus offers two alternatives. The propaganda of Horn's Socialists can help the SDL, which will most probably open its ticket for ethnic Hungarian candidates. The second alternative is that, with the MOS's entry into the Hungarian coalition, more liberal ideas will appear in the policy of this minority, and right-wing currents will come to prevail in it. In view of the permanently pro-reform attitudes demonstrated by Slovak Hungarians in sociological surveys, the second alternative is more likely. It needs to be said, however, that both alternatives bear in themselves the potential to introduce greater calm into the Slovak-Hungarian dialogue.

Company Develops New 9-mm Pistol for Army

AU1905160594 Bratislava PRAVDA in Slovak 11 May 94 p 5

[Article by Emil Bajanek: "First Slovak; A New Pistol for the Slovak Army"]

[Text] In the second half of the year, the range of short-barreled small arms on our market will be extended with a 9-mm pistol, the model PS 93 Parabellum, manufactured by the Povazske Strojarne [Vah Valley Engineering Works] a.s. at Povazska Bystrica. This individual automatic weapon is intended for firing at targets within a range of 50 meters, but it can be used for firing at more distant targets, as well. The pistol has a 15-cartridge magazine.

Engineer Dusan Melioris, director of the Povazske Strojarne Research Institute, says that this top-quality product builds on the company's production of small firearms that was discontinued in 1954. The Army of the Slovak Republic currently does not have a pistol of this caliber in its arsenal. The weapon had been developed for sports shooting, particularly for combat shooting enthusiasts. The well-balanced pistol is distinguished by its extraordinary precision. The most up-to-date technical methods have been applied in its design. The pistol has a locked breech system [uzamknuty zaverovy system] and the automatic repeat function is secured by a short recoil of the barrel. The pistol has a push-pull triggering mechanism [mechanizmus napinania bicieho kohuta pistole je dvojcinny] and is equipped with a manual safety catch, and, after the last cartridge has been fired, the breech mechanism becomes locked in the rear position, says Melioris. From the head of the Research Institute's Technical Department, we have learned that once production reaches full capacity, some 300 employees will be involved in the implementation of this supplementary production program of Povazske Strojarne. He also mentioned that, following the federation's partition, the development of the pistol was not without certain hitches.

Povazske Strojarne will exhibit the pistol model PS 93 Parabellum in several modifications at the specialized IDET [expansion unknown] exhibition in Brno at the beginning of June. In cooperation with the Syndicate of Slovak Journalists and the Ministry of Defense of the Slovak Republic, the manufacturer is preparing a demonstration of the weapon on 8 June. The demonstration will take place in the Turecky Vrch military training compound.

During our visit to Povazske Strojarne, our hosts also acquainted us with the first Slovak pistols equipped with an optical or laser direction finder. The creatively designed wood-lined butt attracted our interest because it is perfectly adjusted to the anatomy of the hand and is a comfortable fit. Povazske Strojarne will also be manufacturing ammunition for the pistol. Until recently, local engineers produced some 50 different types of cartridges.

Ministers Decide To Heed IMF Advice on Wages

AU1905120794 Bratislava PRAVDA in Slovak 17 May 94 p 2

[Article by "lr": "Investment Funds Heard Out; Wage Growth in Loss-Making Companies and Banks Will Be Limited to 15 Percent This Year"]

[Excerpt] Bratislava—Following a six-month delay, wage regulation will, after all, become the reality for the state and semistate sector as of 1 July, in accordance with the recommendation of the International Monetary Fund. This was announced by Julius Brocka, minister of labor, social affairs, and the family, in the course of yesterday's consultative meeting of economic ministers.

The aim of wage regulation is not to freeze wages at their current level. As Minister Brocka stressed, under the proposed limit for wage growth [smerny rast], even companies that will be subject to the decree will be able to retain the real value of their employees' earnings. This means that, because an overall 17-percent growth of consumer prices is expected this year, even in wage-regulated organizations wages will be permitted to rise 17 percent. Deputy Prime Minister Brigita Schmognerova specified, however, that the upper limit will be between 15 and 17 percent, so as to utilize the motivating nature of the restriction for labor productivity improvements. In compliance with the demands of social partners laid down in the General Agreement, the government decree will not apply to organizations that operate at a profit. Equally, it will have no impact on already transformed entities—that is, entities in which the stake of the state and of shareholders from coupon privatization is lower than 50 percent as well as entities in which foreign capital has an ownership stake in excess of 30 percent.

There is one exception, however. Even profitable organizations in banking, the energy sector, and the water economy will not be permitted to exceed the set limit for wage growth because, as Julius Brocka said, the development of wages in these branches has broken loose. [passage omitted]

MDF Official Views Election Results, Prospects

AU1905155794 Budapest NEPSZABADSAG in Hungarian 19 May 94 pp 1, 6

[Interview with Ferenc Kulin, head of the parliamentary group and deputy chairman of the Hungarian Democratic Forum, by Tibor J. Keri; place and date not given: "The MDF's Tone Did Not Prove To Be Expedient"]

[Excerpts] [passage omitted] [Keri] According to the election results, the whole society has rejected your party, when the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] won the first round everywhere....

[Kulin] You should not say more than the figures show, and the figures show that almost 70 percent of the citizens participated in the vote, including more than 30 percent who voted in favor of the MSZP. This shows that our society is equally divided into socialist, liberal, and national trends.

[Keri] In your opinion, what did the MDF do wrong in the past four years?

[Kulin] The reasons for the defeat of the MDF and of the coalition are not subjective. The process of change in the regime in the whole region is taking place much more slowly and with more conflicts than society expected. It is almost an automatic development that the parties carrying out the change in the regime in our region lose the elections.

[Keri] The MDF and the government have often been accused of arrogance, haughtiness, "mission-awareness," and lack of sensitivity in the past years.

[Kulin] These accusations of arrogance and loftiness were created by the mass media. However, I admit that the MDF leaders were crude to the press and some intellectual circles from the very beginning, but not with society and the common people. Therefore, it is not true that the government led by the late Jozsef Antall disregarded the people or the citizens. It is, however, true that the MDF turned its back and became rude to those who wrote and spoke of the MDF with hatred even before the 1990 elections. The accusations of arrogance originate from this circle of journalists, and some Hungarian intellectuals picked up this accusation, people who had lost their public offices in the wake of the change in the regime. I would look for the mistakes somewhere else. The tone with which we addressed the society did not prove to be expedient. [passage omitted]

[Keri] In your view, did the negative television campaign against the MSZP chairman influence voters? Did the dismissals carried out in the Hungarian Radio have any effect on the election results?

[Kulin] I am very curious to know, but I cannot judge this. I would welcome a thorough and objective opinion poll about these issues. My personal experiences are controversial: A similar number of people agreed with those dismissals and said that it harmed the MDF. As for the MSZP and its chairman, Gyula Horn, he must be aware that his name and his past symbolize forces that constantly led to conflicts in Hungarian political life.

[Keri] In your view, what can we expect from the Hungarian Radio and Hungarian Television after the elections? What can the heads of News, Panorama, or Sunday News expect, programs that the public regards as too ardently pro-government?

[Kulin] I firmly believe that a new phase of the media war is beginning now. Obviously, the political forces which now have the right to make personnel decisions will reorganize the leadership of these two institutions in accordance with their taste and will.

[Keri] The present government also formed the media according to its own image....

[Kulin] No, it failed to do so. The ideas and the balance of intellectual forces that emerged in the past 40 years have such a preponderance in the media that the changes that pro-government leaders could make were only the tip of the iceberg. The News, Panorama, and other programs can only be regarded as the tip of the iceberg.

[Keri] Will there be scapegoats for the expected election defeat of the MDF? Do you think that you might be such a scapegoat, since you were the one who worked out the party's program?

[Kulin] I do not think so because I do not believe that the program decided the fate of the party. I believe, of course, that an analysis of responsibility, including personal responsibility, will take place in the party. Nor do I think that the defeat could lead to a split in the party. It is possible, however, that, after the establishment of the new parliament, the leading bodies of the MDF will offer the possibility of personnel changes at the national meeting.

Party Officials View Reorganization Options

AU2005090494 Budapest NEPSZAVA in Hungarian 19 May 94 p 5

[Unattributed report on opinions of officials from various political parties on the need to reorganize the government: "Party Opinions About Government Reorganization"]

[Text] Would you reduce the number of ministries and would you change the system of ministers without portfolio? Do you plan to set up a top economic ministry?

Gabor Kuncze, Alliance of Free Democrats [SZDSZ]:

Yes, but this will depend on the coalition negotiations.

Tamas Isepy, Christian Democratic People's Party [KDNP]:

We can give the same answer to both questions because, in addition to streamlining the system of government institutions, our political program also includes the creation of an economic ministry in charge of carrying out a uniform management of the economy. The reduction in the number of ministries is a direct consequence of the implementation of this program.

The KDNP would definitely change the system of ministers without portfolio. Ministers without portfolio can be put in charge of carrying out tasks that can adjust to the tasks and authority of various ministries only with difficulty. The presence of a minister without portfolio in charge of national security services continues to be justified, but the institution of minister without portfolio should be eliminated in places where their task can be adjusted to the authority of a given ministry.

Zoltan Gal, Hungarian Socialist Party [MSZP]:

In every country, the number of ministries and the number of government members was also determined by political considerations, in addition to government rationale. Therefore, for the purpose of a rational government, the MSZP would reduce the number of ministries, but it is also ready to face the fact that the coalition agreement would not permit this. This applies to a reduction in the number of ministers without portfolio and to the setting up of a top economic ministry alike. A strong and coordinated government activity is our goal.

Karoly Herenyi, Hungarian Democratic Forum [MDF]:

The reduction or increase in the number of ministries is a practical question. The decisive viewpoint is which way the government operates the most efficiently. From this viewpoint, it seems rational today to merge certain ministries. The MDF agrees in principle with the setting up of a top economic ministry because we endeavored to do this in 1990, but the crisis management at the time demanded the special treatment of certain "areas." Today, after the elections, the conditions for a top economic ministry have matured.

Laszlo Urban, Federation of Young Democrats [Fidesz]:

Yes. We are planning to set up a top economic ministry on the basis of the current Ministry of International Economic Relations, the economic policy department of the Finance Ministry, and the Industry Ministry. We would even subordinate the government institution in charge of carrying out the privatization to this top economic ministry. We also suggest to eliminate the position of minister without portfolio.

Socialist Deputy Presents Party Views on Media

AU1905191294 Budapest MAGYAR NEMZET in Hungarian 19 May 94 pp 1, 5

["m.t."-signed interview with Ferenc Kosa, parliamentary deputy of the Hungarian Socialist Party; place and date not given: "Ferenc Kosa: The Socialists Do Not Want a Clear-Up"]

[Text] The media law, which is one of the first to be passed by the new parliament, will define the operation of Radio and Television and the appointment of their leaders. The Hungarian Socialist Party [MSZP] instructed Ferenc Kosa to draw up the Socialists' media law concept when the party went into opposition in 1990. We interviewed Kosa on the media plans of the MSZP.

[MAGYAR NEMZET] Is the MSZP adhering to the basic principles that it professed when it was an opposition party?

[Kosa] Already in the transitional period before the 1990 elections, the MSZP was aware that an unbiased, honest, and socially supervised operation of the information system—especially public service radio and television—is a necessary prerequisite for democracy. I would like to remind people that, after the 40 years of party state dictatorship, the Nemeth government set up the Public Supervisory Committee, which, with the participation of experts and parties that had national lists, ensured television's impartiality during the elections. As for the media law, the MSZP's concept has three cardinal points: public ownership, public supervision, and clear and unequivocal public service statutes. In respect to public service media, we rejected both state ownership and free market ownership. If the radio and television are in state ownership then the government of the day can influence their operation. We do not support the free market, either, because foreign interests can endanger national sovereignty.

[MAGYAR NEMZET] Who should own the public service media?

[Kosa] The MSZP considers socialist ownership in its classical sense appropriate, namely public ownership. Legally, the public foundation corresponds to this. The public foundation is a form of ownership that cannot be sold, which is created by a two-thirds majority decision of Parliament, and which does not operate under the government's or any party's influence, and not even solely under Parliament's influence. Its Supervisory Board consists of a broad social basis: The delegates of political forces, professional trade unions, independent personalities, trade unions, and churches. Its members can be replaced. This way, it is possible to eliminate disproportionately large personal or group interests that can appear in the public service media. The Board cannot exercise censorship rights.

[MAGYAR NEMZET] Is there any chance for the MSZP's media plans to be accepted by parliament?

[Kosa] Even in the past, the MSZP's media policy was a consensus-making alternative to the government's state ownership and the liberals' free market solutions. If the MSZP comes to power, it will continue to insist on its basic principles. Accordingly, it wants a media and press that are independent of the government and political forces. It is a precondition of democracy that the press be able to operate freely as a criticizing counterbalance to the governing power.

[MAGYAR NEMZET] In recent days, a list of names has come to light that foreshadows the dismissals in television that are to follow the change of the government....

[Kosa] The Socialists do not have any intentions to clear up; the MSZP does not want to replace the personnel in the media. We would like the country to be among the leaders

in Europe as regards democracy and the independence of the public service media. The draft bill proposed by us serves this goal.

[MAGYAR NEMZET] What are the MSZP's views on the rules of appointing radio and television chairmen?

[Kosa] The appointment of the chairmen is one paragraph in an 800-paragraph draft bill. In accordance with the constitutional rules in this area, the prime minister proposes the media chairmen, the parliamentary Cultural Committee hears them and forms an opinion on them, and finally the president of the republic appoints them. In our view, this system is democratic. The freely elected responsible government of the day should have the possibility to make a proposal on the people, but it should not have the sole right to appoint them. In this sense, the president of the Republic and the Cultural Committee form a counterweight to the government. The basis of the process of appointment should not be changed, but it is expedient to make minor amendments. It would not be fortuitous if parliament appointed the chairmen because it cannot have the rights of an employer. The fact that we do not have a legal order in this area is the reason for the speculations surrounding the issue of media chairmen. When we have a media law, the appointment of the chairmen will be a natural procedure without any hysteria. This is the reason the MSZP insists that the issue of the media chairmen only be put on the agenda once the media law is passed.

EU Commission President Arrives in Warsaw

LD1905212294 Warsaw TV Polonia Network in Polish 1900 GMT 19 May 94

[Text] A new proposal to broaden political cooperation between the EU [European Union] and Poland has probably been brought to Warsaw by EU Commission President Jacques Delors. However, he will not reveal the details until tomorrow, after ending talks with Polish politicians.

[Correspondent] Delors's proposals will be a response to earlier suggestions by Foreign Minister Andrzej Olechowski. The Polish foreign minister sees a possibility of speeding up Poland's integration into the EU, particularly in the areas of security, foreign policy, and legislation. Delors himself said yesterday that he could see our country in the EU by the end of the century. He wonders, however, whether the Polish economy will stand up to direct confrontation with the West European economy.

Delors did not want to reveal the details of his proposals yet. I have come here to listen to Polish opinions. Our cooperation is developing well, nevertheless. We already have the association agreement, after all.

The EU Commission president admitted, however, that he wanted primarily to discuss Central European matters in Warsaw. [video shows Delors and delegation being welcomed at Warsaw's Okecie airport]

Meets With Sejm, Senate Presidia

LD2005121594 Warsaw PAP in Polish 0953 GMT 20 May 94

[Text] Warsaw, 20 May—European Commission President Jacques Delors met this morning with members of the Sejm and Senate Presidia and with the chairmen of the Sejm Commissions for Foreign Affairs and for European Treaty Matters.

After the meeting, Jan Borkowski, chairman of the Commission for European Treaty Matters, said that the most important issue discussed today was a proposal by Polish parliament members for Poland to participate in the work of setting up the new European Union [EU] institutions that are to emerge after the states of Central and East Europe are accepted as members of the organization.

According to Borkowski, Sejm Speaker Jozef Oleksy suggested during the talks that Poland should gain permanent observer status in the European Parliament. Borkowski said Delors agreed that an initiative should be taken to enable Poland to cooperate in reforming the EU. He added that Poland does not want only to be a recipient of EU decisions and to stand outside, but that it also wants to contribute to the creation of new structures in which it is going to participate in the future.

Walesa on Fight Against Nazism, Future of Europe

LD1905213394 Rome RAI Uno Television Network in Italian 1800 GMT 19 May 94

[Interview with Polish President Lech Walesa by correspondent Paolo Borrella; place and date not given; Walesa speaks in Polish with superimposed Italian translation—recorded]

[Text] Polish President Lech Walesa was present at the Monte Cassino celebrations. Walesa remembered the sacrifice of thousands of his fellow countrymen who took part in that battle along with Allied forces in this way.

[Walesa] The Polish people fought on every front during World War II. They fought, above all, for the liberation of Europe. They fought for the people of Poland only in the second instant. As early as 1939, we knew that not only Poland but also the destiny of Europe was at stake, but they did not listen to us. In this way, we had to fight to put right the errors made by others.

[Borrelli] But do you not run the risk of creating a Europe based solely on business interests rather than a Europe based on those values that everyone wanted during the struggle against Nazism?

[Walesa] Obviously this risk exists, but the principles will always win in the end. Some questions are of common interest. I am thinking of the question of nuclear power stations. The safeguarding of the environment must be the responsibility of everyone. Europe cannot allow situations like that in the former Yugoslavia to arise. When I hear people say that in order to allow Russia to join the security organization named "Partnership for Peace" different rules to those of other countries will be applied, I cannot see how this will work.

[Borrelli] In Russia, your powerful neighbor, Boris Yeltsin's power is threatened by Rutskoy and Zhirinovskiy. Does this worry you?

[Walesa] We do not constitute a desired object for Russia. If anything, you run this risk. The only solution is for Europe to extend in order to include the countries of the former communist bloc. In this way, common security and wealth are increased and uncertainties are reduced.

Pawlak, Czech Minister Discuss Debts, Border

LD1905170394 Warsaw PAP in Polish 1429 GMT 19 May 94

[Excerpts] Warsaw, 19 May—On 19 May, Prime Minister Waldemar Pawlak received Josef Lux, deputy prime minister and agriculture minister of the Czech Republic, who is in Poland on a one-day visit. Issues connected with "the intensification of trade in agricultural and food products between our countries and the repayment of Polish debts in the Czech Republic" were among the subjects of the talks, Andrzej Smietanko, the Polish minister of agriculture, told journalists after the meeting.

The Polish debt in the Czech Republic amounts to approximately $57 million. At the meeting, it was agreed that we

would be repaying it by investing in areas on the Czech side of the border. Construction of border crossings and ecology projects, mainly sewage-treatment plants, are envisaged.

The Polish minister reported on work on agreements on cooperation in the field of veterinary medicine and plant protection, as well as an agreement on cooperation between the Polish and Czech agriculture ministries. [passage omitted]

Lux gave an assurance that land belonging to Polish farmers but lying on the Czech side of the border and land belonging to Czech farmers but lying on the Polish side would not become a subject of tension between the governments. "We will not allow any border changes," Lux said. "Irrespective of which citizen owns land in Poland or the Czech Republic, he will be subject to the law of the country where his land is," he added.

Lux expressed the hope that the law on subsidies of certain groups of goods that had been adopted by the Sejm "would not lead to any restrictions in trade between our two countries."

Minister on Russian Forces in Kaliningrad

LD1905210794 Warsaw TVP Television First Program Network in Polish 1730 GMT 19 May 94

[From the "Wiadomosci" newscast; relayed by Warsaw TV Polonia Network in Polish]

[Text] [Announcer Grazyna Bukowska] The Defense Affairs Committee of the Council of Ministers decided at its first meeting that, until the time of changes in the Constitution, the chief of the General Staff will continue to be subject to the national defense minister. President Lech Walesa, on the other hand, wants the chief of staff to be directly subject to him, as the head of the Armed Forces.

[Begin recording] [Unidentified correspondent] Ministers explained that they were unable to make another decision because the president has agreed with the ruling coalition that there could be no changes in the structure of power before the adoption of the new constitution.

[National Defense Minister Piotr Kolodziejczyk] Today, the committee decided to indicate to the Council of Ministers the second option—that is, that option in which the chief of the General Staff remains subject to the national defense minister. That is the option that has been in place hitherto.

[Walesa] This is still under discussion. I will be speaking, I will be demonstrating, that the first option is the better one. And I think we will find a compromise.

[Correspondent] During the deliberations today, the government Defense Affairs Committee created an interministerial crisis team that will permanently observe all threats to the security of the state. The National Defense Ministry deems one of the greatest dangers to be the presence of a large number of Russian forces in the Kaliningrad District. Minister Piotr Kolodziejczyk said today that he had obtained a promise from Russian Defense Minister Pavel Grachev of a significant reduction of forces in this district.

[Kolodziejczyk] As a final figure, there are to be altogether 25,000 soldiers and sailors stationed in this region—a clear, far-reaching reduction of the present state of affairs, which is about 200,000. If this stated intention is sincere, the problem ceases to exist.

[Correspondent] According to the National Defense Ministry, Poland has no strategic reserves in the case of war.

[Kolodziejczyk] The mobilization reserves are significantly reduced. We are eating them away by virtue of the miserliness of the budget.

[Correspondent] The Defense Ministry claims that the Polish Army, in wishing to measure up to the armament levels of the NATO states, will have to spend $2.5 billion [word indistinct] up until the year 2010. The Defense Ministry feels that, during this period, it is appropriate to exploit the favorable international circumstances and prepare for eventual threats. [end recording]

Strak: Government Wants Own Television Program

WS1905132894 Warsaw GAZETA WYBORCZA in Polish 19 May 94 p 3

[Interview with Michal Strak, chief of the Office of the Council of Ministers, URM, by Agnieszka Kublik and Wojciech Zaluska; place and date not given: "Government's Time-Slot; Conversation With URM Chief Michal Strak"]

[Text] [GAZETA WYBORCZA] Is it true that you want to see an amendment to the Law on Radio and Television to enable the government to have its own program on television?

[Strak] Yes, it is. I suggest that the government have its own time slot on public television a few times a week and at an appropriate time.

[GAZETA WYBORCZA] Meaning?

[Strak] Meaning a time when information programs are broadcast.

[GAZETA WYBORCZA] What kind of program is it supposed to be?

[Strak] It would be the kind of program where the government would be able to portray itself the way it wants. In the program, the government would speak about itself and its responsibility. This way, we will prevent situations such as on "Wiadomosci" [main television newscast] on 17 May, where I had spoken a sentence out of which television people selected only half, thus completely changing the meaning of the statement. We continue to be the target of unprofessional or intentional maneuvering.

[GAZETA WYBORCZA] So, in this government program, there will be just the camera and a minister?

[Strak] I can guarantee you that we will utilize experts. After all, it was precisely GAZETA WYBORCZA that said

that the Polish Peasant Party's election campaign on television was one of the best.

[GAZETA WYBORCZA] And where were your experts when the prime minister decided to fly to Italy with his wife and two children, when the government insisted it did not have enough money to transport war veterans?

[Strak] Let us not go back to that. Everything has already been said on the subject.

[GAZETA WYBORCZA] So you want to have your own "Directly from the Office of the Council of Ministers"?

[Strak] The name is irrelevant. It is going to be like in the case of election programs...

[GAZETA WYBORCZA] ...Polish Television is not responsible for the program's contents?

[Strak] Exactly. I am hoping that a program like this will ease tensions between politicians and television reporters. For instance, "Wiadomosci" on Tuesday showed clips of the prime minister visiting the pope, and, of course, neither his wife nor his children were shown.

[GAZETA WYBORCZA] Is that a terrible mistake?

[Strak] Yes, it is because the prime minister repeatedly explained that he was taking the family along with him on the Italian trip precisely because of the meeting with the pope.

[GAZETA WYBORCZA] So, in this government time slot, the prime minister would be shown along with his wife and children?

[Strak] Exactly.

[GAZETA WYBORCZA] Such government programs do not enjoy enormous audiences.

[Strak] I am not saying this is going to be a "Dynasty," but those who are interested in politics will definitely watch the program.

[GAZETA WYBORCZA] So the government wants a time slot for itself because it does not like "Wiadomosci"?

[Strak] There is a popular view that the media portray the government in a biased way.

[GAZETA WYBORCZA] Why is that?

[Strak] There are three possible reasons: both we and the journalists are not professional enough; we differ in our political views; or there is bad will.

[GAZETA WYBORCZA] How do you think the "Wiadomosci" people should have reacted when the prime minister sent over his two-page communique?

[Strak] That was the first case in which the government wanted its communique to be read. Strikes were in progress and the situation was abnormal. The point was to ease the tension. At such points, journalists must not arbitrarily select certain parts from the prime minister's speech. They think they are holding just a gun in their hands, whereas, in fact, it is a cannon. The force of influence that "Wiadomosci" has is enormous.

In my view, a professional journalist should consult the government over what he will read on the program. I am absolutely certain of that. This is what would have happened in any civilized country.

[GAZETA WYBORCZA] But this was a very poorly written text. Besides, it would have taken four minutes to read it.

[Strak] She could have said: "We are not responsible for what is in the text, and we are hereby extending this edition of 'Wiadomosci' by four minutes." How is the prime minister supposed to rule the country if it is journalists who decide what he is supposed to say?

[GAZETA WYBORCZA] Does this "government time slot" idea mean that the government intends to give up its fight with the National Radio and Television Broadcasting Council [KRRiT]?

[Strak] There are some who think that personnel replacements would be the answer to the current problems...

[GAZETA WYBORCZA] You mean, for instance, replacing Polish Television's Chairman Wieslaw Walendziak as well as KRRiT?

[Strak] Exactly. But, as for myself, I tend to lean toward the idea that it would be enough just to design a decent television program for the government.

Minister Pol Questioned on Restructuring

WS1905141594 Poznan WPROST in Polish 22 May 94 pp 13-14

[Interview with Industry and Trade Minister Marek Pol by Piotr Andrzejewski and Piotr Gabryel; place and date not given: "Political Economics"]

[Text] [WPROST] You have completed negotiations with the striking unionists of the hard-coal-mining branch. You have also ended negotiations with the "lignite" branch. What other negotiations remain?

[Pol] There is still the sector of liquid fuels, the shipbuilding industry, heavy chemistry, the fertilizer industry, perhaps the metallurgy... I hope, however, that the talks will not be held with strike committees. I suppose that we will discuss the necessity of restructuring these branches with the directors of enterprises and the unionists.

[WPROST] The agreement reached with the striking lignite miners does not change the fact that the establishment of coal partnerships has not curbed the growing costs of coal extraction. The earning capacity of the mining sector has been decreasing since the beginning of the year and so has coal extraction, the demand for which is rather limited in the country. As a matter of fact, the 300,000 employees might lose their jobs.

[Pol] I do not think the future is as black as that. Due to the scale of employment, production, and exports, mining is still one of the most vital sectors of our economy. In the

future, it will be able to maintain itself and to make investments from its own resources.

[WPROST] For the time being, the profitability of the coal partnerships is "negative."

[Pol] Their financial results are still affected by an enormous indebtedness, which is now being reduced. The program of restructuring the mining sector has not ended at the stage of establishing new organisms. It already resulted in a decrease in employment by 20,000 people last year, and this process is being continued—without any pressure or group layoffs, which is important. Every year 20,000 people begin to receive retirement pensions. The miners working in the mines that are being liquidated are offered jobs at other mines, or the system of social protection is built up for the period in which the laid-off workers acquire new skills. We are trying to see to it that economic requirements do not come into too great a conflict with the social ones.

[WPROST] Demand for coal today is only half as great as it was in the times of "prosperity," when the yearly extraction volume neared 200 million tons.

[Pol] As far as domestic demand is concerned, it will not really increase in the next few years. However, exports and profitability will be very important.

[WPROST] Our extraction costs are two or three times as high as those borne by American, Australian, or South African exporters.

[Pol] The Australians have their coal a few meters under the ground; they often need nothing more than a good bulldozer to get free access to it. To get our coal, we have to dig deeply into the ground, hundreds of meters, which costs a lot of money. However, in the western German union lands, for instance, in mines that are geologically comparable to ours, the extraction process is "overmechanized," and, as a consequence, their extraction costs are higher than ours. Thus, figures are not always "fair." As exporters, we also have an edge over others thanks to the "geographic rent," which lowers the cost of transportation from Poland. All things considered, I would not demonize the situation.

[WPROST] However, are we not creating a dangerous "museum" by setting up coal partnerships in which the low efficiency of some mines is "neutralized" by other mines of a given group? As a result of agreements with the European Union and the General Agreement on Tariffs and Trade, in a few years, after reducing or entirely lifting tariffs, we will become defenseless against our competitors, whose products will be much cheaper.

[Pol] I do not think our mining sector is a museum. Please note that extraction is subsidized in many countries but not in Poland. Subsidies concern only the costs of mine liquidation and social protection for those who are forced to change jobs. It is certainly one of the duties of the coal partnerships to protect some of the unprofitable mines. In mining, one mine is never profitable forever. As a result of only one cave-in, a mine may lose its earning capacity for several years. Thus, the partnerships are made up of both good and poor mines. In the long run, however, the partnerships will want to lower costs, and, naturally, they will "push out" the latter, the poorest ones. They will want to close them down, especially the mines in which deposits have already been almost entirely exploited.

[WPROST] For the time being, however, extraction costs are not observed to be decreasing considerably, and the earning capacity of mines is becoming increasingly lower.

[Pol] My advice is: More patience. Coal partnerships are now at the stage of concluding agreements with their creditors and with the budget; they are all working on a system of paying off the mines' debts. Apart from that, mining is gradually getting rid of the nonproductive property. So far, it has been burdened with the duty of maintaining streets, stadia, hospitals, sanitariums, health centers. This year, all of this should yield a financial result that is slightly positive or near zero.

[WPROST] Now that you have signed an agreement with miners, are you not expecting an escalation of pressure from other "vital" branches?

[Pol] In many countries much more developed than Poland, the restructurization of strategic sectors was accompanied by great tensions, discussions, and conflicts. Success was or was not achieved through compromise. There are countries where restructurization of the power industry was suspended because the initial attempts brought about such tensions that the authorities decided to wait for a better atmosphere.

[WPROST] Should the 40 percent of industrial enterprises, whose financial results are negative today, wait for a better atmosphere, as well? What do you intend to do with the "socialist dinosaurs" of our economy?

[Pol] Unfortunately, you are now repeating stereotypes. When you are speaking about "socialist dinosaurs," you mean...

[WPROST] The FSO Automobile Factory, for instance.

[Pol] This "dinosaur" contributes well over 1 trillion zlotys to the state budget annually.

[WPROST] The demand for these products is protected by outrageous customs duties, excise, and import tax.

[Pol] The customs duty is not all that outrageous at all. In India, for example, it is as high as 150 percent of the value of a given car. I would like to caution against the vision of "let us plough this all up and create a beautiful, modern automobile industry meeting world standards." This is utopia. Unfortunately, we live off what we have. If some day we really opened our borders—and there were such attempts in 1991 and 1992, when the customs duty did not exceed 4 percent—the Polish economy would collapse immediately. It is worth recalling that thousands of enterprises whose debt burdens we are now trying to reduce somehow found themselves in trouble in that particular period. You can certainly say: Let us not reduce the debts; let them collapse. The problem is that, along with them,

the whole of Poland would collapse because no one would be able to maintain such a large army of unemployed people.

[WPROST] Is it not utopia, as well, that all of this can be rescued?

[Pol] Certainly not all enterprises will make it. I believe, however, that, in the case of the sectors that are subjected to the restructurizaiton process, the situation will be similar to the second year of studies: Generally, everyone should survive it, but there is always some percentage that fails the exams. In the case of companies, this is an extremely slow and difficult process. First, they must come up with "a survival idea," and then they can count on the state to help them. Unfortunately, the state has also contributed to the difficulties they are going through. This is the result of certain mistakes that were made in the preliminary stages of free-market reforms.

[WPROST] However, it is probably difficult to support enterprises without finding ways to communicate with their employees. In recent weeks, you have been at the forefront of the battle between the government and the unions. Did you not get the impression that Poland is becoming increasingly more deeply divided into two separate worlds, the interests of which it will be increasingly harder to reconcile?

[Pol] It is certainly difficult to reconcile interests. I believe, however, that it is still one Poland with one way of thinking. It is obvious that, if you suddenly begin "tampering" with the labor-and-wage system of someone who considers his situation to be stable and his future to be safe, this will make him protest. Concrete information gets across to some people more easily than to others. If you add to this such factors as politics and the activities of competing trade unions, all of this will make for an explosive combination.

[WPROST] However, I cannot see the government trying to effectively scatter these fears by presenting a coherent and clear activity schedule. You were practically alone in negotiations with the striking lignite miners.

[Pol] I think this looked worse than it really was. Because the demands of the strikers concerned one of the strategic branches of the industry, I moved to the foreground of events. However, later there was cooperation. I cannot really complain about being alone.

[WPROST] What will the talks on the restructurization of other branches look like? Will they be held under a threat of strikes?

[Pol] We are striving to maintain the configuration that was agreed upon in the last negotiations: the government-trade unions-employers.

[WPROST] However, Solidarity ["S"] is demanding separate talks with the government.

[Pol] I believe that "S" will finally understand that we are not in a position to talk with each union separately. Each of them is quite strong, and favoring one of them triggers a chain reaction that consists of demands for separate negotiations. This is unacceptable to the government.

[WPROST] The use of the "trilateral" model at the nationwide forum of the commission, which is supposed to be set up by a separate law, also creates a danger: It may lead to some kind of "corporationism" if not "unioncracy." As a matter of fact, the most vital social decisions may be made outside the government and the parliament.

[Pol] No. I think that it is simply a slow and difficult procedure for reaching the final shape of the configuration of influence on state affairs. Neither the government nor the parliament will agree to be substituted for by the trilateral commission; they will not agree that the unions should decide issues that are of utmost importance to the state. It so happens that it is the government and the parliament that bear all responsibility. On the other hand, however, no government in a country that has such large union structures as ours can make decisions exclusively on its own. It should discuss with the unions any moves they are by nature interested in—from social issues to issues related to wages.

[WPROST] Much seems to suggest that the consecutive governments, both the "S" governments and the present Cabinet, have not worked out any strategy for resolving the problems of "the vital" branches. It seems that the strategy has been replaced by the tactics of deferring conflicts and gradually neutralizing them in negotiations and strikes.

[Pol] Definitely not. Programs concerning restructurization have been prepared in detail. They were worked out partially by my predecessors, who, however, did not manage to accomplish much because they were frequently recalled too soon. Today we are preparing a program of restructurization of the liquid fuels sector. If this program fails, the Polish fuel industry, which is today in pretty good condition, may be obliterated from the face of the earth within just a few years—when the contingents for fuel imports are lifted and the customs duty is lowered.

[WPROST] However, the consciousness of this fact is not common.

[Pol] Hence the scale of social opposition, whose enormousness I realized during negotiations with the lignite miners. Hearsay, false information, and mistrust were so concentrated there that the union activists, even though they realized that the threat caused by the restructurization is not really great, did not have the courage to be frank with the strikers. Thus, there is a great need to make everyone realize the necessity of transformations; people must realize that they bring not threats but possibilities for surviving.

Iliescu Interviewed on Privatization, Reforms

AU1905194194 Bucharest DIMINEATA Special Supplement in Romanian 14 May 94 pp 2, 3

[Interview with President Ion Iliescu by LE FIGARO reporter Jean Mirot; place and date not given]

[Text] [Mirot] Thank you, Mr. President, for granting me some moments of your precious time. It was very important for LE FIGARO to interview you before you arrived in Paris, to discuss a number of topical issues with you. I am very impressed that you have accepted—which to my mind is a sign of confidence—that this interview should take place in the form of a conversation, which will be more interesting for our readers than mere answers often formulated in formal and dull words. So, once more, I feel very honored and, at the same time, also much indebted to you. Of course, I would like to ask you some questions. I think that they have already sent you a list of them.

My first question refers to a question that crops up in the heads of the French people, who saw the Romanian revolution from a great distance and got a tragic impression, and who today wonder whether it was actually a real revolution and not merely a case of certain people changing offices.

I will entrust you with a personal experience: I have not been to Romania since 1986; yesterday I had the occasion to meet with some fellow journalists and I have to tell you that the image that I gained about the freedom of press here, to my mind, represents the sign of a genuine democracy; that is what it all boils down to. However, it is also true that, in the eyes of the French, Romania to a certain extent continues to be an enigma. Has a revolution taken place? Could the former communist leaders really become today's democrats?

[Iliescu] What is revolution? It means a radical change in social life. Here we should not advance subjective judgments, but rather look at the facts as they are and make an objective analysis of the real facts.

I believe that there are two fundamental elements that determine whether or not a movement is a revolution. First, the participation of the population in bringing about the change. In Romania, it was a genuine popular movement, it was a popular explosion. Of course, one can discuss the violent nature of the Romanian revolution as compared with all the changes that occurred in the other countries in Eastern Europe. What was the origin of its violent nature? This was determined by the very nature of the regime, of the old system, which made it impossible to discuss even a few possible changes, as was the case in the Soviet Union under Gorbachev and his "perestroyka." To what extent "perestroyka" really led to changes is a different matter. But many changes occurred all over Europe and even in the Soviet Union. However, those were changes confined to the system.

In Hungary they begin to prepare the changes while still under the Soviet occupation. During the Kadar regime there was an opening toward a market economy. In Czechoslovakia there was an inner process for a generally more balanced society, because that was one of the most developed countries in that part of Europe and, before the war, anywhere in Europe. This was so because Czechia used to be the industrial center of the former Austro-Hungarian Empire and between the two world wars in terms of its general economic and industrial level Czechoslovakia was ahead of France, Belgium, and Germany. This conferred a certain kind of balance to its development even under the communist regime, and it also led to the Czechoslovak revolution, defined as the "velvet revolution."

In Romania such a thing was not possible. There used to be an extremely rigid system, which made any changes from the inside impossible, and which accumulated very grave tensions in the economy, social life, and in one's ability to express oneself. You said that you last visited Romania in 1986. You know very well that the people used to be suffocated. There was no way in which they could freely express themselves. What a pity, because in the 1960's Romania had been among the vanguard. The first step came in 1958 with the pullout of the Soviet troops. I believe that it was a success of the then political leadership of Romania, which in subsequent years created the alteration in the political orientation of the country.

In the years of 1963-1964 the well known dispute took place between Romania and the Soviet Union in connection with Khrushchev's plan to integrate the economies of the satellite countries within the economy of the USSR. In 1964 an official declaration was issued against such dominating tendencies of the USSR. Thus, all these things contributed to certain alterations in the political thinking and, generally speaking, in the political climate in our country. During this period the release of all political prisoners took place, as well as an intellectual and cultural opening up, an opening up toward Western Europe, and an opening up in technology, achieved through numerous accords and acts of scientific, technological, and industrial cooperation. They began with Renault, then with Citroen, and then the helicopters. There was a certain kind of penetration of modern technology and numerous attempts were made to modernize the economy.

In 1967 a discussion even took place related to the need for our orientation toward the market economy within the framework of a "socialist-type" economy, as they used to term it in those days. But a fundamental discussion did take place in connection with this issue. At that time it was solely the Romanians and the Czechs who were openly discussing the objective need for changing the way in which the national economy was being run. There were discussions on issues connected with modern management. In economics and social life a special school was set up to train management. Informatics was being promoted, Romania being among the vanguard in that trend. Cooperation was initiated with the French for the production of Romanian-made Felix-type computers, the first of this type of computer, and for the assimilation, in general terms, of this kind of technology. All this means that there was an opening up in the 1960's, which Ceausescu managed to crush after 1971 and especially in the 1980's. Thus, it was the harsh nature of this regime that determined the

change in Romania, with its violent popular explosion as a consequence of the very grave internal tensions within society, to which one can add the influence of the movements that had already begun in neighboring countries. This is one of the distinctive features.

Here is the second: A popular movement could have taken place, it is true, without bringing about any changes whatsoever, as you said. A few individuals could have taken over the leadership of the country and everything would have stayed the same. But is this the case here? An objective analysis, rather than a subjective one, has to be done of what has happened in Romania over the past four years. One can also assess these things by relating to the manifesto of the Romanian revolution, to the 10 points of the Proclamation that I read out on television in front of the entire society, and which found unanimous support. One would find that all those points have been put into practice and have been included in the new Constitution of the country. In everyday life, as you said, there is total liberation, freedom of expression, organization, and assembly, new parties have emerged, and there is the idea of the multi-party system, in which our political life, generally, has been conceived. We even have 200 registered parties. Over 90 parties... [punctuation as published]

[Mirot] This is an aspect pertaining to the Latin character: Like France, politics is also considered a sport and an art.

[Iliescu] But it is also an objective aspect. After quite a long period of suffocation, people wanted to manifest their diversity. I consider this an objective phenomenon. It is a natural reaction. Human society is an entity consisting of diversity, even personal ones; there are about 6 billion of us living on this planet, that is, about 6 billion different personalities. To suffocate them is stupidity. Therefore, the normal reaction of the people was to express this diversity of theirs—hence the explosion in the number of parties and newspapers.

[Mirot] Exactly as in France after its liberation.

[Iliescu] It is a general phenomenon. After this, I believe we took very great steps toward structuring a law-governed state. Immediately after the revolution, within the first month, there were already 30 parties. We set up a kind of a provisional parliament, the Provisional National Unity Council [CPUN]. We discussed and passed an electoral law, which also included certain constitutional principles, because we had abolished the old constitution. Then, in May 1990, the first elections took place for Parliament, which also had the role of a constituent assembly.

Our first task was the drafting of a constitution. A modern and democratic constitution was devised. This was a democratic process in itself, as it was done on the basis of general consultations—we organized a commission of deputies, senators, and experts in constitutional law; three months' work was spent just on research on our national experience, studying all the constitutions that we ever had, contemporary legislation, and the most characteristic, the most significant constitutions existing in the world; a great number of discussions and consultations with experts took place; in Bucharest they organized an international seminar on current tendencies in the domain of constitutional rights. On this basis the first draft of the constitution was drawn up. It was then published and discussed for two months; following this, over four months, Parliament discussed it point by point, article by article, and about 1,000 amendments were made. A new draft was then drawn up, which incorporated all these amendments. This again was followed by two and a half months of debates, discussing even details of the way in which it was formulated. This was followed by a vote and a nation- wide referendum for the adoption of the Constitution. All this means that we have a Constitution that is the expression of a democratic process and that expresses, by its contents, our lining up with the most modern tendencies in the life of democratic states. On the basis of this Constitution local and national elections were held in 1992.

This means that we have gone through a number of radical changes in the last four years and have restructured the state in all its components, proceeding from the principle of the separation of powers in the state. In this respect, we set up new institutions on the basis of the new Constitution. This has been done on the political plane.

On the economic plane, an instinctive tendency to destroy the centralized state system that coordinated the entire national economy has been manifest. The first months were characterized by a general dismantling of these centralized structures, something that obviously had negative consequences as well, since major disruptions occurred everywhere, which cost us quit a lot. However, that was a reaction to the very centralized system of our national economy. A decisive turn was taken toward promoting a profound economic reform and the transition from a supercentralized economy, with its own structures, mechanisms, legislation, and institutional forms, to a market economy. However, the economy and economic system contain greater inertia than the political system and this is the most difficult sphere for all of us. We have made many changes and have created a new economic framework. We worked out new legislation; I believe that we have more than 150 laws on the economic changes. Nevertheless, there are still many things still to be done.

We took steps to liberalize prices, foreign trade, and trade in general. We took steps to promote privatization and encouraged investment from abroad. We took steps to liberalize the national currency—total liberalization will follow shortly—but it all takes time. On the other hand, all these abrupt changes have led to some very serious internal disruptions, to which one should add foreign international factors, such as the dismantling of CEMA [Council for mutual Economic Assistance] and the disappearance of our traditional markets, partners, and sources of energy and raw materials.

It is obvious that this has had a directly negative effect, particularly on industrial production. We are currently working at half capacity in industry. Then there followed the Gulf crisis, the embargo against Yugoslavia, and the world and European recession, all of which are influencing this process. Hence, this decrease in production, to which

one should add that we were confronted with a very tough drought for three years and with the dismantlement of the agricultural cooperative farms—that was another reaction to an objective situation, namely the state's brutal interference in the life of the cooperative farms, which led to a reaction against them. But these structures have nothing to do with communist structures, despite the fact that there are even some primitive slogans claiming that they are communist structures.

Cooperatives have existed for thousands of years in all countries with agricultural traditions. The cooperative movement is very strong in France, Italy, and other European countries. On the other hand, you have the people's normal reaction against the cooperatives, which were looked upon as state structures. On the other hand, there were political forces which made a lot of hullabaloo about this problem of the "old structures." However, this cost us, since the cooperatives were dismantled. We worked out a Land Law, but we could have preserved the extant organizational and management structures. You see, there is this confusion between the ownership structure and management, that is, the administration of agricultural fields. We have abolished all this, with the end result that we now have more than 5 million owners of 9 million hectares, which means an exaggerated fragmentation of the land, with all its implications for the activity in agriculture and the possibility of using mechanization, chemicalization, and technologies.

[Mirot] Please tell us something about the belated process of privatization, where it seems that you have made rather slow progress.

[Iliescu] First of all, let us wind up the first question. From a popular point of view, all this was a characteristic feature of the Romanian movement and the Romanian revolution. As far as changes are concerned, profound modifications took place, which transformed the physiognomy of Romanian society. Therefore, I believe that the two basic requirements for determining the nature of a revolution have been met; any other arguments are but slogans, politicking, and political struggle. Regarding political maneuvers, Iliescu is a "nobody," since for 20 years I have been removed from any political decision-taking process. I came into conflict with Nicolae Ceausescu in 1971, after his visit to Asian countries, particularly Korea. So, anything else is nothing but concoction and slogans.

When one examines social phenomena, one should look at things from an objective angle, without hidden political and ideological motives and without ideological prejudices in this respect.

[Mirot] What about the slow pace of privatization, since I do not want to call it a failure...

[Iliescu] I do not think one can speak of a slow pace. There are two aspects involved here: the private sector and the privatization of large state-owned companies.

I believe a great deal has been done with respect to privatization and the sustaining of the private sector. Immediately after the revolution, the CPUN passed a law, a law-decree, on the sustaining of the private sector of our economy. Currently there are half a million various private companies, which consist of one individual or one family, or they are small or medium-size companies. The opening was made especially in commerce. They are criticizing the somewhat oriental aspect of the small boutiques, the small booths in which things are sold. An explosion is taking place in this field. One could also regard it as a historic phenomenon, in the sense that capitalism is being rebuilt, and capital is being accumulated in the commercial sector; a small-scale initiative has manifested itself especially in the domain of commerce and services, but at the same time small and even medium-size companies have begun to emerge in industry, especially in the processing of agricultural products and food. Thus, there are currently about 500,000 such enterprises, with over 2 million employees, which represents a third of the labor force in our economy. So it is a sector that has become quite active and important. Currently these enterprises are also very active in the domain of exports.

But there is a second aspect as well: the privatization of the state-owned companies. At the end of the first year after the revolution a law was passed on the reorganization of the former state-owned companies and two different sectors were established: public corporations and commercial companies—we used the French model. The public corporations relate to the domain of infrastructure, and I think they will persist there for a long time—in energy, the mining sector, railroads, and telecommunications. Then there is the industrial sector, with over 6,000 state-owned companies, among which are the great enterprises in the iron and steel industry, the oil processing industry, and so on. They are organized in the form of autonomous commercial companies. They are not led by ministries or other central bodies as they used to be; they will be subjected to the "great privatization." A law was passed on the privatization of those 6,000 companies and on the method that should be used to do it. The most difficult problem in the selling of those companies is the lack of capital. On the other hand, we thought of a kind of a social compensation, as all those enterprises have been built over the past 40 years by the efforts of the entire nation, of the people. Then Parliament included a stipulation in the law that says that 30 percent of social capital is to be distributed free among adult citizens who are over 18, and so ownership certificates have been distributed among all the citizens. Now we are all holders of such ownership certificates, which will have to be turned into shares as the privatization process goes ahead.

Two institutions have been set up: One is the State Property Fund, controlled by Parliament, which is managing the remaining 70 percent of the social capital of those enterprises, and which also has to supervise the way in which those enterprises are being managed; the second is the Private Property Fund, which is managing the ownership certificates and the process of turning them into shares. These are the principal institutions dealing with the process of privatization. In addition to these, a government National Privatization Agency has also been set up, which in the beginning took care of the issue of these

ownership certificates and their distribution among the citizens, and organized the first privatization, as a test, in the case of 30 enterprises, until the State Property Fund was set up, which took over from it, and so far it has privatized 450 companies. This means that out of those 6,000 enterprises 450 have already been privatized. However, as I have already said, the principal difficulty is the lack of capital.

We are hoping for two things. First, a solution is currently being sought to boost the process of turning the ownership certificates into shares in the privatization of 2,000 enterprises. Second, we have the private sector that I already mentioned and to a certain extent capital has already accumulated there, so people might use it for that purpose.

The banking sector has been reorganized. In the old system we merely had four commercial banks; under the circumstances of a state-planned system, the banking system plays quite a limited role. But now, after the explosion of the number of commercial and economic companies, banking operations have also expanded; currently there are 25 commercial banks and they still cannot cope with the demand for banking operations. And there is another difficulty, too, namely: the lack of capital of the banks on the one hand, and, on the other, the lack of capital of the enterprises. The enterprises have to resort to bank loans. The banks do not have the necessary resources, which results in a hindering, to a certain extent, of the whole process. Our case is different from that of Germany, where the eastern laender are being economically integrated...

[Mirot] With the help of West Germany...

[Iliescu] Yes, annually they inject $120 billion into that region. We requested a mere $1-billion loan from the Group of 24; they discussed it for over two years, and finally we were granted just half of this. Now we are again holding talks with the IMF and the Group of 24. We are holding talks related to certain preconditions; over the whole past year there was nothing but negotiations. We lack support from abroad. Our domestic resources have dropped together with a drop in production. Under the all these negative international circumstances, our foreign trade has also dropped. Our foreign trade has still not managed to become a source of hard currency; on the contrary, until now, over the past four years, our foreign trade balance has been continuously in the red. This means that we lack the necessary hard currency to sustain our national currency. The drop in production, the drop in the value of our national currency, all of this has acted to fuel inflation, and inflation and unemployment are two of the most serious social phenomena.

[Mirot] Do you have a feeling that Western Europe has tended more toward Central Europe while setting you somewhat aside? Do you believe that you have really been invited to join the European Economic Community, or rather that you are being handled a little...

[Iliescu] In this connection I believe that everyone is dissatisfied, and not just us; even the Czechs are, although their situation is the best among all the other countries in the transition period—they have a favorable economic situation, a hard currency surplus of $5 billion in their national bank, their foreign trade earns about $2 billion to $2.5 billion each year, which has created the conditions to have a stable national currency and keep inflation under control and unemployment low, at about 2-3 percent—and yet even they are dissatisfied with the circumstances under which they have to cooperate with the West.

The Hungarians and the Poles have no major reasons to be dissatisfied, since four years ago their national debt was already very large. Meanwhile they have doubled their debt, which means that they had access to already open financial sources, credits at commercial banks, and so they could double their foreign debt. You must remember that two years ago Mr. Walesa went on a marathon tour to obtain the rescheduling of their debt, and he managed to obtain $8 billion and a certain reduction of the debt.

Romania has obtained nothing of this kind. So we have reasons not to be satisfied. We cannot reproach anyone with anything, because in the field of economics there is no such thing as human generosity; those are merely phrases used by politicians. In economics there is no criteria other than that of interest. We do not want disinterested assistance; however, we wish a stance of normal partnership, lacking all ideological bias, because all the countries of Central and Eastern Europe are going through the same process, which is a normal process of contemporary society and of our continent. It lies in the interest of all European countries that this general integration process should be facilitated within the framework of a joint process; because now there is not just a crisis among these countries. This is a period of general crisis in the European economy and the world economy, and owing to this, only integration achieved on the basis of a partnership among equals can lead to us jointly solving the problems facing all the countries. Even the developed countries have their own problems—unemployment, with all its very serious social consequences—but also entirely positive phenomena, that is, technological progress. However, technological progress that has very much penetrated the service sector has eliminated a great deal of the labor force from commerce and services of all kinds. Services represented the best alternative and chance for the Western European economies after the war. Under the circumstances of technological progress, which made many people superfluous in agriculture and industry, the third sector [services] represented the sole chance; now the third sector has been affected. This why even in the case of the developed countries, the sole chance is represented by integration, I mean normal integration without protectionism, without the arrogant stance adopted by the rich with respect to the poor, of the strong with respect to the weak, and without ideological bias, but rather by establishing the framework for a normal partnership.

[Mirot] Before approaching foreign policy, let us exchange a few words about domestic policy. According to an IRSOP [Romanian Institute for Public Opinion Polling] poll, the opposition is rated as having 43 percent support, I believe. However, one should not rely too much on opinion polls as they are nothing but a snapshot. We could

ask ourselves the following question: Does this mean that early elections will take place? Is this a fact that could persuade you to try and set up a coalition government—recently you had contacts with certain parties—or would you rather continue with the current formula until the end of your mandate in 1996?

[Iliescu] To my mind both alternatives are acceptable. Regardless of the circumstances and the evolution of the balance of forces in our society, all governments, regardless of whom they consist of, will have to solve the same problems. They are problems related to Romania's transition, the continuation of the process of strengthening democracy, state structures, the efficiency of the state, and, especially, to solve the economic problems that currently represent the key issue: the restructuring of the economy on the basis of the laws of the market and the restructuring of industry in connection with the process of privatization. All these are mandatory elements for any government.

Of course, nuances do exist, and there are differences between ways in which these problems can be solved. However, at the same time I believe that everything also depends on the status of each, of each party and of each person.

One has one perspective when one belongs to the opposition—it is always easier to criticize and one can always reveal new problems, concrete problems. However, the view of the people undergoes a fundamental change whenever they change this position. From this point of view I would prefer it if a change took place. Even after the last elections, in which we did not manage to have any party gain a majority in Parliament, I addressed an appeal to all the party leaders to find a solution or to set up a government of national unity. This was my first proposal and it was not advanced for any demagogic purposes.

In the current difficult period, because we have lived through the harshest years over the past three years, I believe in the need for the unity of all political forces and for them to assume responsibility. However, my proposal was rejected by the leaders of a number of parties. Some of them even said, in a cynical way, that during very difficult times it would be extremely dangerous for them to assume the responsibility of governing. In that case they would be better advised to let others assume the responsibility, and, as far as they are concerned, perhaps they should wait, criticize, and accumulate political capital for the future. I proposed a safe coalition in order to have a stable majority. However, owing to the circumstances of the period, such a thing proved impossible.

I then proposed a political pact, regardless of the government's structure, as that may change, in order to achieve an agreement on behalf of all the parties, following the example of Spain. I even appealed to the party leaders and distributed among them the text of the Moncloa Pact, which was a political pact concluded among all the political parties represented in Spain's Parliament, comprising a rather large array, ranging from Fraga Iribarne of the Falangists, to Santiago Carillo, the communist leader. It had never even crossed anyone's mind that a coalition could be established between the Falangists and the Communists. However, they all signed the joint document, which was an expression of a national platform and the political pledge of all of them to ensure normal development and a normal solution to the grave political, economic, and social problems that the country was facing. The pact had precisely three chapters: a political, an economic, and a social one.

I expressed that idea of mine about having to try to establish a joint platform. We even began work on a draft for such a platform. However, when we began approaching the concrete problems, such as the organization of the government, of Parliament, and so on, it became impossible to reach an agreement. Now we are discussing those issues all over again. In December we resumed our negotiations with all the parties and also took up that idea again. Currently negotiations are taking place among the parties. We will see what happens. Anything is possible. They are even talking about early elections, although I do not believe that there is much enthusiasm in that direction. Everyone is talking about elections, but, at the same time, everyone considers that no essential changes would occur compared with the current situation.

[Mirot] For one part of your electorate this would represent a risk.

[Iliescu] Yes, it would be a risk. But above all, it would not be beneficial for the country. The electoral campaign would cause time to be wasted and it would generate general social tension. From this point of view I believe that our politicians are sufficiently realistic; they are talking about early elections, but, at the same time, they also express certain reserves.

The current government is a minority government. This represents a difficulty. Thus, the government is compelled to negotiate continuously with everyone on each draft law. This process also causes tension in Parliament. Discussions are taking place without anyone knowing what the final conclusion will be. Probably solutions will be found that will be extremely difficult to put into practice, but I do not think that early elections will be held; not this year, anyway.

PUNR 'Responsiblity' in Caritas Scheme Viewed

AU1905160394 Bucharest EVENIMENTUL ZILEI in Romanian 17 May 94 p 1

[Editorial by Ion Cristoiu: "The Involvement of the Romanian National Unity Party in the Caritas Game"]

[Text] For some time now the leaders of the Romanian National Unity Party [PUNR] have been making desperate efforts to prove that their party has nothing to do with Caritas. Moreover, in their efforts to dissociate themselves from [Caritas Director] Ioan Stoica, they went so far as to claim that it was not the PUNR, but rather another party, the Democratic Party (National Salvation Front) [PD(FSN)] that had been the protector of the great nationwide con. Why the PD(FSN) and not another political grouping? Because [PD(FSN) President] Petre Roman's

party is being used by the current government coalition worse than the kulak subject was exploited in proletarian literature. Whenever a post-December 1989 disaster occurs, it is immediately blamed on the Roman government. The proletarian writers were always blaming the fat kulak for all the mishaps in the village: for the threshing machine being offbeat, for the wheat failing to sprout, and even for the lack of rain. For the propaganda machine of the current left-wing coalition, Petre Roman's party is responsible for all past, present, and future evils. The PD(FSN) is to be blamed for the scope of corruption, for the huge number of unemployed, and for the holes in the pavement. Therefore, in blaming the PD(FSN) for Caritas, the PUNR leaders cannot boast that they have shown a great amount of originality. At best, they have showed a bit of cowardice.

The whole country was and is aware of the fact that the responsibility for the setting up and expansion of Caritas belongs to the PUNR. As shown by the group of items published on page 3 of today's issue of our newspaper, Ioan Stoica enjoyed the unconditional and direct support of PUNR President Gheorghe Funar. Without his decisive support, Caritas would have never reached such fame, which went even beyond Romania's borders. The Caritas kind of game relies on the constant difference between the number of people who deposit their money and those who cash it. The more the number of depositors exceeds the number of receivers, the better the game can ensure the multiplication of the sum of money due to be cashed. This vital difference requires that increasingly more citizens take the company's cashier desks by assault to deposit their money. However, this requires that the citizens must have trust in the seriousness of the game. Consequently, the explosion of Caritas was made possible by the much greater trust put in this game, than in other similar games throughout the country. This was due both to Ioan Stoica's ability to project himself as a messiah and to the categorical support lent to Caritas by a man of Gheorghe Funar's caliber: PUNR president and Cluj mayor. Therefore, no matter how hard the other PUNR leaders tried to prove to the contrary, Gheorghe Funar's responsibility stands beyond any doubt. As a matter of fact, since he is a correct man, the PUNR president reiterated his public support for CARITAS at the end of last week. What else can his eulogy of the bankrupt Cluj game be—at a time when everybody has realized that it is a swindle—other than a declaration of public support for it? Even though it was done pretty much indiscreetly, the PUNR leaders have tried to distance the party from Gheorghe Funar in the matter of the Caritas affair. For instance, they said that the PUNR president's support for Caritas does not mean that the party also supported it. They also maintain that the Cluj mayor's involvement in this affair has nothing to do with his capacity as PUNR president, but that he did it as a private person. However, these are but sophisms of people with their backs to the wall! The trust of the Caritas depositors relied on the fact that the game was supported not by just anybody, but by a prominent political figure. If the party had dissociated itself from CARITAS and Gheorghe Funar at the appropriate time, by publicly condemning not only the game, but also the Cluj mayor's involvement, the people would have been more prudent before giving away their shirts to enrich Ioan Stoica. But then, the PUNR was quiet at the time, thus conveying the impression that all of it supports the Caritas scheme. The current gesture comes too late. Gheorghe Funar's involvement throws the burden of responsibility onto the whole party. Any public trial of the disaster called Caritas will have to examine the PUNR's involvement in the affair, as it will also be unable to avoid examining the dubious role played by certain journalists in the dissemination of the swindle.

Nevertheless, there is still a salvation for the PUNR, namely to publicly condemn, in particularly firm terms, Gheorghe Funar's guilt in the Caritas affair. Likewise, it should rid itself of its president, by invoking the legal proceedings against Caritas. But this is a difficult, if not impossible, thing to do, without risking a major convulsion within the PUNR.

Ministry Not To Grant Visa to Zhirinovskiy

AU1905144494 Bucharest ROMANIA LIBERA in Romanian 17 May 94 p 1

[Nord-Est Press report: "Russian Ultranationalist Leader Vladimir Zhirinovskiy Will Not Receive Entry Visa to Romania"]

[Text] On 14 May the leadership of the PNT [National Peasant Party]-Lambru, a small political group that withdrew from the PNTCD [National Peasant Christian-Democratic Party], made public its intention to invite Russian ultranationalist leader Vladimir Zhirinovskiy to visit Romania, parliamentary sources announced. The reason for this invitation, according to the PNT-Lambru, is the fact that the Russian politician is "a person who has a thorough knowledge of the true history of Romania." Authorized sources at the Ministry of Foreign Affairs informed us a few days ago that it is out of the question that the Russian extremist can receive an entry visa to Romania. We wish to remind our readers that a few months ago the Russian leader sketched a "map of Europe" in which Romania is not included at all as a state.

Silajdzic Rejects Call To Admit 'Defeat'

LD1905181494 Belgrade TANJUG in English 1606 GMT 19 May 94

[Text] London, May 19 (TANJUG)—Bosnian Moslem Prime Minister Haris Silajdzic on Thursday rejected a statement by British Foreign Office Minister of State Douglas Hogg that the Moslems in the ex-Yugoslav Republic of Bosnia-Herzegovina should admit a military defeat. Speaking to BBC's reporter in Sarajevo, Silajdzic firmly rejected claims that the Moslems had lost the war in Bosnia and said that the main reason for their losses so far is the international embargo on arms deliveries. The United Nations banned the delivery of weapons to the territory of the former Yugoslavia in September 1991.

Addressing the Royal Institute in London on Wednesday Hogg said that the peace process in Bosnia would begin only if the Serbs give up a part of the territories and the Moslems admit military defeat. The Moslems must be reconcilled with this and realize that a foreign military intervention in Bosnia is out of the question, he said. Hogg warned the warring sides in Bosnia that in the next eight weeks a peace agreement should be reached because the alternative is the withdrawal of the U.N. peacekeepers and the halting of international humanitarian aid. The pullout of the international troops from Bosnia could seriously be considered if the Moslems continue nurturing hopes that the embargo on arms deliveries could be lifted, as the United States promised in the face of British and French opposition, Hogg said.

The Moslem government in Sarajevo rejects a four-month ceasefire called for by the meeting of foreign minsiters of Russia, the United States, European Union and the United Nations held in Geneva last Friday. Hogg recalled that early this year Great Britain and France announced they would not forever keep their troops in Bosnia and had started looking for ways to withdraw them. According to Hogg, this was cut short by NATO's military scenario and the U.S. diplomatic initative for supporting the Sarajevo Moslem authorities.

British Defence Secretary Malcolm Rifkind said on Wednesday that so far there does not exist a plan for the withdrawal of the British U.N. contingent from Bosnia.

Krajisnik Demands 'Equal Treatment' in Talks

LD1905190094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1652 GMT 19 May 94

[Text] Sarajevo, 19 May (TANJUG)—Momcilo Krajisnik, president of the republic of Srpska's national assembly, has said that the Bosnian Serbs have pointed to the shortcomings of the contact group for former Bosnia-Herzegovina. "However, it failed to seriously convey all the remarks we had voiced during the last talks in Pale," Krajisnik said in a statement for TANJUG prior to the beginning of the Bosnia contact group's two-day work in Washington.

Our first remark, Krajisnik went on, is that the Serbs cannot take part in the continuation of the conference without receiving equal treatment, meaning that the sanctions should be lifted and that the pressure now being exerted on the Serbs should end. "The second thing concerns territorial demands put to the Serbs so the Muslims could get 51 percent of the territory of the former Bosnia-Herzegovina—this was demanded of us without explanation and was not backed by any arguments," Krajisnik said and expressed hope that the contact group will acknowledge these remarks on the basis of new information at its disposal, and find an acceptable solution. "True, there will be problems with the territories because our remarks will be construed as a condition for continuing the talks—which would be a mistake because we are not setting any conditions for the cessation of hostilities and the continuation of the conference. Hope lies in negotiations, but we cannot allow ourselves to be under pressure while the Muslims and Croats are not, and this only makes the continuation of the talks more difficult," Krajisnik added.

Commenting on reports of a new international conference on the former Bosnia-Herzegovina, Krajisnik said that thorough preparations must be carried out ahead of such a meeting, and certain dilemmas must be settled because which part of Bosnia belongs to one or the other side is not immaterial.

What is good and provides a good basis for talks is the fact that the stance has finally been agreed that Bosnia must finally be divided into two parts. Attempts to create obstacles to division by calling for a unified Bosnia, and by linking its parts either into a federation, a confederation, or a union—all these things are, in fact, attempts to turn back the clock, although it is clear that it cannot be turned back, Krajisnik said. In his opinion, the most important problem has been resolved and that is that Bosnia must be divided into two parts, while the West has resolved the problem of what it will do with the Muslims.

Speaking about the current Muslim offensive, the National Assembly speaker expressed his disappointment with the role of UNPROFOR [UN Protection Force] because, he said, "we have noticed bias on the part of the peacekeeping forces." Not only do they tolerate the Muslim offensive, but they fail to react at all to their offensive actions, hoping that the Muslims will improve their position, and that this will be a good basis for the continuation of negotiations. We must accept and realize—and this is the most difficult thing in this war—that there is no justice for the Serb people either, because we are an obstacle to the realization of major interests, but we must hold out because we have a great chance of achieving our goals, although the road to accomplishing this will be difficult, Krajisnik said.

Momcilo Krajisnik also hinted at a new session of the republic of Srpska's parliament, most probably next Tuesday or Wednesday [24th or 25th May]. Owing to large-scale diplomatic preparations for the upcoming international conference on Bosnia, the assembly session—instead of being held this week—has been postponed until the beginning of next week, Momcilo Krajisnik, concluded in a statement he made to TANJUG today.

Izetbegovic Expects 'Tangible Progress' Soon

PM1905130094 London AL-HAYAH in Arabic 19 May 94 p 8

[Report by 'Abdallah al-Hajj and As'ad Taha: "Izetbegovic Tells AL-HAYAH: Expect Tangible Change; We will Not Allow More Concessions To Be Imposed on us"]

[Excerpts] Jeddah, Zagreb—Bosnian President Alija Izetbegovic arrived in the Kingdom of Saudi Arabia at dawn yesterday, Wednesday, to perform pilgrimage. He is accompanied by 500 citizens, including some war wounded and handicapped. [passage omitted]

The Bosnian president spoke about tangible progress in the Bosnians' defense of their rights. He said: "You will see a change in the coming days."

Izetbegovic announced his country's total rejection of occupied Brcko's inclusion in the safe areas. He said: "Brcko has a Muslim majority and this will continue to be the case. If it is not possible to retrieve it peacefully, we will work to do so by force of arms." He added that declaring it a safe area perpetuates the Serb occupation, which controls half of it.

On the recent peace initiative, he stated sternly that "the international community cannot put further pressures on us, as we have offered sufficient concessions. We now believe that the shape of our future relies on our strength, God's help, and the support of our friends throughout the world, especially the Islamic world."

Asked about the Bosnian Army's ability to liberate the Brcko area, he told AL-HAYAH: "I can now confirm that I am certain that we are capable of doing that, that the successes achieved by the Bosnian Army in recent days prove it, and that conditions are now different from past conditions."

He announced his opposition to lifting economic sanctions on Serbia, even it accepts the new peace initiative. He said: "The real boycott is imposed on us through the arms embargo on us. Nevertheless, we have stood fast and begun to break the shackles, and you will see a tangible change in the coming days."

On the contradiction between the powers to be exercised by the Bosnia-Herzegovina president and the federal union [al-ittihad al-fidrali] president, which will be held by a Croat, he said: "I am the president of all unified and internationally recognized Bosnia-Herzegovina. The federal state is part of this state."

The Bosnian president warned about the Serb forces' increasing violation of the fragile cease-fire agreement in and around Sarajevo. He added that the Serbs are exploiting international laxity to seize more Muslim territory in Bosnia, especially in central and north Bosnia. They are currently planning to initiate battles to seize Tuzla, as the day before yesterday Serb forces shelled the city of Kladanj, which is situated between Sarajevo and Tuzla to the north.

Izetbegovic belittled the importance of the new European initiative, warning of overoptimism, as "the Serbs have persisted in breaking their promises as a result of Europe's sympathy with them." He appealed to the Islamic states to offer more material support and exert diplomatic efforts to try to lift the "arms embargo imposed on Muslims, in order to enable them to defend themselves." [passage omitted]

UN Spokesman: Army Stepping Up Offensives

AU1905122994 Paris AFP in English 1207 GMT 18 May 94

[by Pascal Barollier]

[Excerpt] Sarajevo, May 19 (AFP)—Bosnia's Moslem-led army has stepped up offensives on several fronts, UN officials said Thursday [19 May], as Western governments issued fresh warningins that they will pull their peacekeepers out of Bosnia unless serious peace negotiations resume. UN Protection Force [UNPROFOR] spokesman Rob Annink said the Bosnian Army was strengthening its positions on both the eastern and western fronts in central Bosnia and "feels ready to launch an attack" against Serb forces. He said the heaviest fighting Thursday was around Brgule, Olovo and Kladanj, towns located between Sarajevo and the northern city of Tuzla, where UN military observers counted up to 200 explosions Wednesday.

The UNPROFOR has not been allowed to visit the combat zone, Annink said. He said the larger Bosnian Army has an advantage over the Serbs along the eastern front because the hilly terrain favors ground troops over the Serbs' stronger artillery. "The Bosnian Army is an infantry army while the Bosnian Serbs have mostly artillery," Annink said. He said the army would have a tougher time along the western front where the Serbs control the high ground overlooking the town of Turbe. But, he added, the army has managed to concentrate its troops in the region thanks to the federation plan signed in February between the country's Moslems and their former Bosnian Croat enemies. The pact has allowed the government army to redeploy troops from previous zones of conflict with the Croats.

The upsurge in fighting came as Britain and Spain joined France in raising the possibility they will pull their peacekeeping troops out of Bosnia in the absence of progress toward peace.

British Foreign Office Minister of State Douglas Hogg said the Bosnian Moslems "have to recognize military defeat when it stares them in the face...

"I recognize this is extraordinarily unpalatable," he told a private group Wednesday night in remarks reported Thursday. "Time is running out," he said. "We have eight weeks or so" to see positive developments in the peace process. A Foreign Office spokesman stressed that Hogg was not referring to a withdrawal of troops within any set time limit.

Spanish Defense Minister Julian Garcia Vargas meanwhile said in Madrid that it was "probable in the coming months

we may consider reducing our troops in Bosnia... The UN peacekeepers cannot stay on a mission forever."

French Foreign Minister Alain Juppe said Wednesday that France "cannot leave our UN peacekeepers indefinitely (in Bosnia) if the people they are trying to help have governments that don't want peace." Juppe said Thursday in Paris that the foreign ministers of Russia, the United States and five Western European countries may hold a meeting on Bosnia-Herzegovina June 13. He said the meeting may be decisive in terms of future French policy in Bosnia. France has warned in recent days that it would consider pulling out its 6,800 troops stationed in the former Yugoslavia unless there was a breakthrough in the peace process within six months. Britain has about 3,000 troops stationed in ex-Yugoslavia while Spain has 1,487. [passage omitted]

Serbs Report Muslim Offensive Near Brcko

LD1905201494 Belgrade TANJUG in English 1708 GMT 19 May 94

["Pool" item]

[Text] Belgrade, May 19 (TANJUG)—Moslem forces on Thursday morning followed strong artillery fire with major infantry attacks on Serb positions west of Brcko (northeast Bosnia), but were repelled by the Bosnian Serb Army, the Bosnian Serb Army Press Centre in Brcko said on Thursday. On Wednesday evening the Moslems launched another offensive in Brcko by opening mortar fire on Serb positions five km to the west of this town. Intensive Moslem massing of forces has also been reported in the Sava River valley where the Moslems are bringing reinforcements from the region of Tuzla, Moslem-controlled town south of Brcko.

According to Bosnian Serb sources, two brigades of the First Moslem Army Corps have been transferred from the Sarajevo area. The Moslems continue violating the cease-fire agreement in the region of Sarajevo by opening strong sniper fire on the Serb settlements of Ilidza and Grbavica and the Local Rehabilitation Institute, the Bosnian Serb Army said.

Along the entire front line close to Orasje, Bosnian Croat forces (HVO) on Wednesday opened infantry and artillery fire on Serb positions. Troop movements towards Serb positions were also recorded on the left bank of the Sava in the territory of Croatia, as reported by U.N. monitors stationed in Brcko, the Bosnian Serb Army sources said.

A general artillery and infantry attack launched by the Moslems on Wednesday along the Serb defence lines on Mt. Vlasic (central Bosnia) continued on Thursday, TANJUG reported from Zvornik citing Bosnian Serb Army sources.

NATO Planes Monitor Tuzla Airport; Aid Delivered

AU1905172594 Paris AFP in English 1701 GMT 19 May 94

[By Bernard Estrade]

[Excerpts] Tuzla, Bosnia-Herzegovina, May 19 (AFP)—A UN plane made two safe flights in and out of Tuzla airport Thursday [19 May], flying the first humanitarian mission to the northern Moslem enclave since the reopening of the airport in March, UN officials said. NATO stepped up air cover of the airport, with an AC-130 Spectre hovering above the airport in the morning and several fighter planes flying over at low altitude, particularly during unloading of the white Ilyushin 76 transport plane. It landed two days after Bosnian Serb artillery shelled the airport when another UN plane landed there, UN spokesmen said. [passage omitted]

The first plane Thursday brought in material and equipment—including radar—for the UN Protection Force [UNPROFOR] in Tuzla, a UN-declared safe area. On its second trip out of Tuzla the plane evacuated five people needing medical treatment, accompanied by nine members of their families, on behalf of the UN High Commissioner for Refugees (UNHCR). It was the first time since the solemn reopening of the airport by special UN envoy Yasushi Akashi that a UN humanitarian mission has taken place at the airport. UNHCR spokeswoman Radna Vikoren said the agency hoped "security conditions will allow the airport to be used again."

A third flight was expected to take place later in the day. [passage omitted] The United Nations said there were no problems Thursday and no Serb artillery fire when the Ilyushin 76 made two successful trips in and out of the airport, on a circuit from Split to Tuzla to the Croatian capital Zagreb then again through Tuzla before heading back to Split. The mainly Moslem Bosnian army handed over control of the airport to the UNPROFOR on March 22. Twenty-two flights carrying equipment for UN forces stationed here landed at the airport through April 14, but no humanitarian flights have yet arrived.

Foreign Minister Receives Yugoslav Envoy

LD1905201594 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 19 May 94

[Text] Mate Granic, Croatian deputy prime minister and minister of foreign affairs, today received Veljko Knezevic, head of the Bureau of the Federal Republic of Yugoslavia in Zagreb, the Croatian Ministry of Foreign Affairs has announced. Their talks focused on the current situation in the UN protected areas in Croatia as well as on the implementation of the Zagreb cease-fire agreement signed on 29 March. The Croatian foreign minister and his guest concluded that negotiations between the Croatian Government and the Serbs from the UN protected areas should continue as soon as possible.

They also discussed the possibilities and conditions for the speedy normalization of relations between the Republic of Croatia and the Federal Republic of Yugoslavia. In their talks Minister Granic and envoy Knezevic discussed developments in former Yugoslavia. In this context it was said that negotiations between the Bosnia-Hercegovina federation and the Bosnian Serbs should start soon. The Croatian foreign minister emphasized that these negotiations and a cease-fire would enable talks on a definite territorial and constitutional arrangement for Bosnia-Herzegovina to be resumed as soon as possible.

Minister Granic also pointed out that searching for a solution to the problem of UN protected areas in Croatia had to be undertaken simultaneously with the negotiations on Bosnia-Herzegovina.

Ex-Yugoslav Army Officer To Advise Martic

AU1905152894 Belgrade BORBA in Serbo-Croatian 11 May 94 p 4

[BETA attributed report: "General Domazetovic—Special Adviser to Martic"]

[Text] Knin—At its session yesterday, the supreme defense command of the republic of Serbian Krajina appointed Colonel-General Ljubomir Domazetovic as special defense adviser to the supreme commander and president of the republic of Serbian Krajina, Milan Martic. Colonel-General Ljubomir Domazetovic was a prominent, high-ranking officer in the Yugoslav Army until he was retired in the summer of 1993.

Russian Journalists Interview Tudjman

LD1905211894 Zagreb HTV Television in Serbo-Croatian 1730 GMT 19 May 94

[Text] Croatia is satisfied with the development of relations with the Russian Federation and wants to have friendly relations in all areas, President of the Republic of Croatia Franjo Tudjman said in an interview with reporters of leading Russian media in Zagreb today.

Answering questions by reporters from Russian state television, ITAR-TASS, and the newspaper MOSKOVSKIYE NOVOSTI, President Tudjman stressed that relations which existed before the formation of the sovereign, independent, and democratic Croatia only continued following the establishment of diplomatic ties between the two countries. He said that Russia had so far played a positive role in the search for a political solution to the crisis in the region. He particularly stressed the role of Foreign Minister Andrey Kozyrev and the Russian president's special envoy, Vitaliy Churkin, at the Geneva conference. They tried to exert influence on Serbia and the Serbs in Croatia to honor Croatia's internationally recognized borders.

President Tudjman also spoke in favorable terms about the economic relations between the two countries and said that great successes had been made in that sphere.

Only 1 in 10 Citizens 'Satisfied'

LD2005094194 Belgrade TANJUG in English 0915 GMT 20 May 94

[Text] Zagreb, May 20 (TANJUG)—Only one in ten citizens of the Republic of Croatia is satisfied with the situation in his country, a public opinion poll published by the Zagreb paper TV-BEST showed. After the breaking up of the ruling Croatian Democratic Union (HDZ) which resulted in a parliamentary crisis in the former Yugoslav Republic of Croatia, the poll was conducted on a representative sample of 2,000 people. As many as 50.7 percent of Croatian citizens said they were dissatisfied with the situation in Croatia and 32.8 percent that they were very dissatisfied. The major cause of dissatisfaction for more than 85 percent of Croatians is a drop of living standard and theft while for 60 percent of the polled said the major cause of all troubles was incompetence of the country's leadership. The Republic of Croatia proclaimed independence in January 1992 after violent secession from the former Yugoslav Federation.

Gligorov Criticizes European Inactivity

PM1905120294 London THE EUROPEAN in English 20-26 May 94 p 5

[Report on interview with Kiro Gligorov, president of The Former Yugoslav Republic of Macedonia, by Ian Mather in Skopje; date not given: "The Nation Nobody Will Listen To"]

[Text] President Kiro Gligorov heads Europe's most beleaguered state. The road to his country from Greece tells the story. It is a super-highway built as the main opening to the Aegean by Tito's Yugoslavia. Today, you have the road to yourself.

Since Greece imposed its unilateral embargo against the "Former Yugoslav Republic of Macedonia" over its claim to use the name of Macedonia, the fledgling state has been cut off from Thessaloniki, the main port for its trade.

As I approached the Macedonian border the eerie silence was shattered by rifle shots. Could this be it, I wondered—the start of the next widely-predicted Balkan war in which the Macedonian state's predatory neighbours, Albania, Bulgaria, Serbia and Greece, and even Nato itself, are likely to become embroiled? In the event it turned out to be a Macedonian border guard whiling away the time by using a metal advertisement as target practice.

Apart from that, the only sound on a sunny afternoon was the swishing of the wings of house martins which had built their nests in the eaves of the huge Customs shed. In the two hours I waited for transport at the border only one vehicle, a Danish refrigerated truck, appeared.

Yet, as President Gligorov pointed out in an interview in his Skopje office, this is one of the European Union's [EU] borders. Greece is a member of the EU, and in the single market uniform rules are supposed to apply at all the EU's borders.

He is a quietly spoken grey-haired man in a brown suit. The large new blood-red flag behind him with its gold Sun of Vergina, which is such a red rag to Greece, seems inappropriately flamboyant for such an apparently unassuming man.

Yet Gligorov's voice rises in passion as he outlines the desperate risks his country now faces. Much of his anger is reserved for the EU, which he believes has yet another potentially disastrous failure in the former Yugoslavia on its hands.

From his point of view it is all the more galling because Greece is an EU member, and should therefore be held accountable for its action by the other members, or suffer the consequences. When Greece unilaterally imposed a blockade on Macedonia on 14 February following U.S. recognition of the state, an outraged European Commission took Athens to the European Court. Since then, nothing has happened.

Gligorov said: "This is the first major infringement of the Maastricht treaty: the border between Macedonia and Greece is not only a national border but a border with the European Union. If this precedent is tolerated, it will have consequences for the future of the Union."

But legal action alone is not enough he says. "More efficient measures could be taken to force Greece to lift the embargo. The EU has the means and mechanisms. Since it allocates a large amount of funds to support Greece it would be logical to expect it to withdraw some of those funds."

Neither is he satisfied with the European Court's handling of the case. The reason for the delay, he believes, is that the court is waiting for the end of the Greek presidency of the EU on 30 June before making a pronouncement, so as to avoid censuring an EU country while it holds the presidency.

It is normal for legal processes to take a long time, I suggested. "True," he replied. "But we were first told by the EU that they expected a concrete decision in two to three weeks. It has now been three months. If by the end of June a temporary decision is reached on lifting the embargo then we will be all right. However, if the court then decides to undertake a full legal process it could take two years or more.

"Then if the embargo caused the destabilisation of this region, what use would it be to us if we were to receive compensation or some other help later on?" He said that he had been told informally that the court would make its position known soon after the end of June. "But if the court process is prolonged we will have a situation in which the EW can wash its hands and say it did all it could in this matter."

With industries being forced to close and living standards plummetting, the burden which ordinary people have to bear is heavy, he said.

"There is a great danger of a rise in social tension, and the continuation of the present situation with Greece could feed the appetites of our other neighbours," he added. "This situation does not contribute to the stability and peace of the region."

The row with Greece is over four points: the name Macedonia, which Greece claims as its own; the flag with the Sun of Vergina, the emblem of Philip of Macedonia, Alexander the Great's father; the Macedonian constitution, which Greece says betrays expansionist aims; and what Greece considers to be anti-Greek propaganda.

Mediation efforts by Cyrus Vance for the UN, and by the US special envoy, Matthew Nimetz, have so far got nowhere. Gligorov said: "We are convinced that no settlement can be reached unless there is a willingness by both sides to make compromises. I believe the embargo cannot be linked with this process, and should be lifted immediately. Without the lifting of the embargo we will not sign any settlement."

If there is no settlement, one unexpected result of the Greek embargo could be the construction of a combined east-west rail and road corridor linking Albania to Turkey, and traversing Macedonia and Bulgaria.

Paradoxically, the new project would isolate Greece. The so-called "east-west corridor" has been placed at the top of the European agenda for new communications since Greece declared its embargo.

Then there are the international sanctions against Serbia, with whom Macedonia conducted 57 per cent of its trade. The Sanctions Committee of the UN visited Skopje to assess the damages of the previous two years and came up with the figure of over $3 billion. On top of this has come the Greek embargo.

"So far we have succeeded in maintaining our peace and stability. But, and I say this with great regret, despite all the sympathy and the moral support we have been getting from the EU, we have received no substantial financial support which would enable us to be more calm until the situation improves."

And how much had his country received from the EU since the current Greek embargo began? "Nothing," he replied. It was the only word he uttered in English.

Gligorov, Akashi Discuss Economic Problems

LD1905195994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1755 GMT 19 May 94

[Text] Skopje, 19 May (TANJUG)—"My visit to Macedonia, in the company of French General de Laprsle, UNPROFOR [UN Protection Forces] commander for former Yugoslavia, is aimed at gaining a first-hand insight into the country's internal and external stability," head of UNPROFOR's mission in former Yugoslavia, Japanese diplomat Yasushi Akashi, said this afternoon.

We had a very fruitful discussion with President Kiro Gligorov and Defense Minister Vlado Popovski. We wished to hear their opinions, which will also help the United Nations determine future moves—especially as regards the stability of borders and the improvement of economic and political stability, Akashi said.

I discovered, unfortunately, that Macedonia was in an unenviable economic situation due to its strict adherence to the economic sanctions against Yugoslavia, and because of the embargo imposed by Greece against Macedonia. I will convey President Gligorov's message to UN Secretary-General Butrus Butrus-Ghali. President Gligorov has suggested that the Greek-Macedonian dispute be examined by the UN Security Council. Akashi particularly stressed that the talks provided an opportunity for a thorough analysis of the situation along Macedonia's borders—especially the sections monitored by UNPROFOR.

Akashi also met UNPROFOR representatives in Macedonia in the course of his one-day visit.

Crvenkovski: New York Negotiations To Continue

AU1905155894 Skopje MILS-NEWS in English 19 May 94

[Unattributed report: "Crvenkovski Refutes"]

[Text] In regard to the reports for interruption in the [Greek-Macedonian] negotiations, Macedonian Foreign Minister Stevo Crvenkovski stated for the Macedonian Radio "nothing was offered in New York and the talks focused only on continuation of the negotiations. I refuse to comment Greek media speculations." Citing the Athens news agency, the Macedonian Radio and Television informs of a statement of Crvenkovski on chances for a way out of the dead end. But, he said, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] remains firmly on its positions as regarding he name issue. The Greek govt representative Venizelos stated his country will also keep its point of view on the name of its northern neighbour.

International Arbitration Suggested for Border

LD1905211794 Belgrade TANJUG in English 1939 GMT 19 May 94

[Text] Koper, Slovenia, May 19 (TANJUG)—Slovenian Prime Minister Janez Drnovsek said on Thursday that the main dispute in connection with the state border between Slovenia and Croatia in the Bay of Piran in the northern Adriatic might be put to international arbitration, because Croatia was not interested in a speedy solution of territorial disputes. Slovenia recognizes only the republican borders of former Yugoslavia, whereas Croatia insists on the Cadastral border between the two former Yugoslav republics. The Cadastral border entitles Croatia to the entire Bay of Piran, which the republican border bisects into two halves.

The Slovenian-Croatian border dispute has nearly ruptured bilateral relations. Close political cooperation maintained at the time of their violent secession from former Yugoslavia [word indistinct] has been eroded by numerous economic disputes, division of property and mutual debts amounting to hundreds of millions of U.S. dollars.

Speaking in the port town of Koper in the northern Adriatic, near Slovenia's border with Italy, Drnovsek said that Slovenia was anticipating a tougher position of Italy concerning its territorial claims, which he said would jeopardize Slovenia's sovereignty. He explained that the views of the other European Union states, and not just Italy, were also relevant in connection with this issue.

The clamouring of the rightist parties which form the new coalition government in Rome for revising the Osimo Accords (signed between Italy and former Yugoslavia) are beginning seriously to worry the Slovenian leadership.

The subject has lately gained prominence in the Slovenian media, which are sharply critical of what they see as the authorities' docility and are warning that any procrastination in dealing with the issues may mean incalculable damage to Slovenia. The 1973 Osimo Accords regulated all territorial disputes which had existed between Italy and former Yugoslavia since World War II.

Federal

Commentary Views Seselj Incident in Assembly

AU1905202194 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 19 May 94

[Commentary by Dejan Lukovic]

[Text] The behavior and intentions of Vojislav Seselj, leader of the Serbian Radical Party [SRS], to create his own set of values in the order of the political scene of Serbia—along the lines of a holy and infallible inquisition—both toward individuals and institutions, oversteps the limits of true endurance and tolerance. Like a genie from the lamp, he appeared on the political scene, where—instead of activism—he has very frequently and deliberately displayed aggression, and—instead of respecting other protagonists in political life—he has practiced the skill of passing judgment without evidence.

Yesterday's scandal—that has to be the right word for it—in the FRY Assembly is only a continuation of a string of similar acts by Mr. Seselj. Let us remember how he tried to use violence against the taxi drivers, how he showed his strength in the close encounter with the teachers, and how—instead of presenting arguments—he told his female colleague, the deputy from Montenegro, that she should go to a gigolo club. He has been using language devoid of all the basics of decency to keep smearing people and vulgarizing the public scene in Serbia, all under the guise of political activity, in which the measure of truth is only what he says or does.

His publicly displayed inclination toward violence or—to be more precise—toward extreme radicalism, is deeply contradictory to democratic and political pluralism, and it cannot justify itself through violent confrontation. To accept such methods is the limit that, if exceeded, leaves room for no surprise, including physical clashes with those who have different political views. The behavior of Radical leader Mr. Seselj irresistibly reminds one of a mutation of democracy. It is no exaggeration to say that, rather frequently, he has skillfully combined elements from the political grey area and his status of inviolability to leave a large number of ordinary people with the feeling of real fear. Never was anything good achieved through bad means. Particularly not when the first signs of the improvement in the situation in former Yugoslavia are to be seen, and when a climate is being created that is not favorable to the political options and methods of Mr. Seselj.

The leader and some of the SRS deputies can of course continue to behave in the manner of smashers of civilized dialogue, proposers of the abolition of other political organizations and different views. The question is, however, whether more indifference and contempt as a moral stand can be our alibi for our reluctance to define clearly and decisively the pathological in the political and everyday life. The later it is done, the higher the price to be paid.

Vojvodina

Organization of Hungarians in Province Splitting

LD1905124194 Budapest Kossuth Radio Network in Hungarian 1000 GMT 19 May 94

[Text] A new Hungarian interest protection organization is to be formed in Vojvodina, Arpad Madarasz reports from Ujvidek [Novi Sad]:

[Madarasz] According to the initiators, following the General Assembly of the Democratic Community of Hungarians in Vojvodina [VMDK] in Zenta [at the end of March] it became clear that the Hungarians of Vojvodina were left without an organization to protect their interests.

To remind you, this was the General Assembly which was convened to clarify the financial involvement of Sandor Hodi, the organization's deputy chairman, in the matter of receiving money from the Illyes Foundation, and where, at least seemingly, the wing led by [VMDK Chairman] Andras Agoston won the upper hand.

According to a communique published in MAGYAR SZO of Ujvidek, the founding members of the new organization pledge to represent the real interests of Hungarians in Vojvodina. Their priority task is to unite the Hungarians in Vojvodina and to create the conditions for them to remain there. One of the participants in the founding session, Sandor Egresi, told the Ujvidek newspaper that there is a need for an interest protection organization which is not exclusive and which allows for different opinions.

Among the members of the founding committee are hitherto VMDK leadership members and present and former parliamentary deputies such as Dr. Sandor Hodi, (Ferenc Csubela), and Dr. Zoltan Varga. They intend to hold the organization's founding session within a month.

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